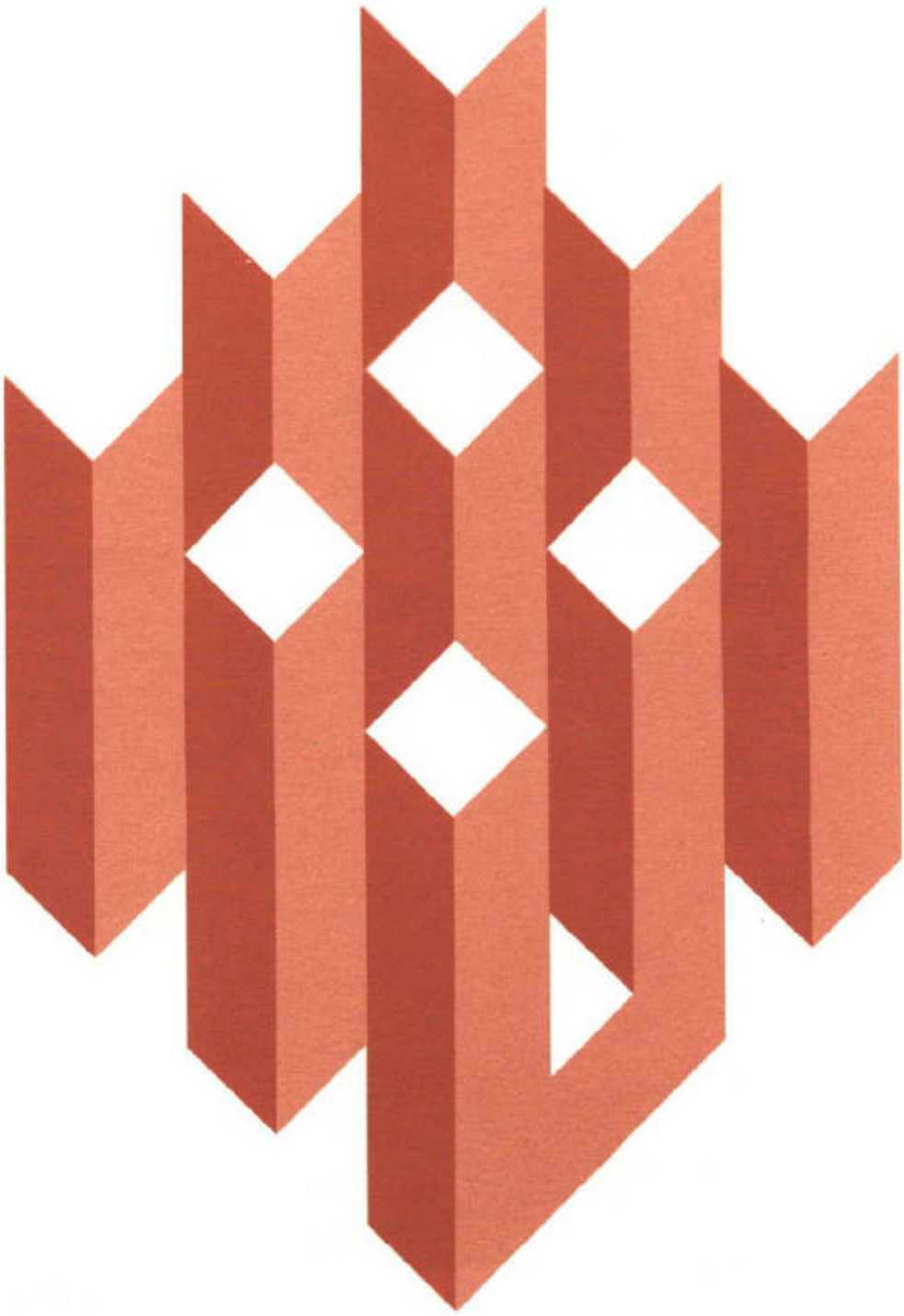
The Federal Supplemental Benefits Program: Impact of PL 95-19 on Individual Recipients

U. S. Department of Labor
Employment and Training Administration



OP
78-4

The Federal Supplemental Benefits Program: Impact of PL 95-19 on Individual Recipients

U.S. Department of Labor
Ray Marshall, Secretary

Employment and Training Administration
Ernest G. Green
Assistant Secretary for Employment and Training

Unemployment Insurance Service
1978

This report was prepared by Henry E. Felder and Randall J. Pozdena of SRI International under contract No. 99-6-834-04-38 with the Unemployment Insurance Service of the Employment and Training Administration, U.S. Department of Labor. Because researchers are encouraged to express their own viewpoints, the opinions offered in this document do not necessarily represent the official position or policy of the Department of Labor.

ACKNOWLEDGMENTS

This report required the assistance of many people from the Division of Research Services of the Unemployment Insurance Service (UIS), the States of California, New York, Pennsylvania, and Washington, and SRI. Their efforts are warmly acknowledged.

Roger Rossi of UIS provided strong support and frequent comments on the various phases of the study. We are especially thankful for his assistance. Cindy Ambler of UIS provided administrative assistance and commented helpfully on the drafts.

The State UI agencies provided coordinators who ensured that the data would be received on time and accurately. We wish to thank Lonnie Fay and Margie Pearson of California, Barbara Krupczak Bennett of New York, John Butler of Pennsylvania, and Burt Bertram of Washington who coordinated the data collection efforts in their states.

Data handling was provided by Scott Harrison who also was largely responsible for writing Appendix A. Research assistance was provided by Gretchen Wolfe, Sue-Min Lin, and Angela Britton. Their efforts are gratefully acknowledged. Finally, we wish to acknowledge the work of Barbara Stevens, Suzanne Andrick, and Harriette Cummings in the editing and preparation of the final drafts. Needless to say, the authors are solely responsible for any errors that remain.

CONTENTS

ILLUSTRATIONS

TABLES

I INTRODUCTION

This report is the second of two that analyzes the impact of Public Law (PL) 95-19 on the Federal Supplemental Benefits (FSB) program.* The FSB program was part of the unemployment insurance (UI) system and was a Federally financed system of emergency unemployment compensation to eligible individuals in States with unemployment levels exceeding prescribed levels. PL 93-572, enacted December 31, 1974 and known as the "Emergency Compensation Act of 1974," created the FSB program. PL 95-19, enacted April 21, 1977, extended the FSB program from its original termination date of March 30, 1977 to the new termination date of January 31, 1978. When the FSB program ended, it had provided three years and one month of emergency benefits.

The significance of PL 95-19 is that it introduced Federal eligibility and disqualification provisions that States had to incorporate into their programs if individuals were to receive FSB payments. Prior to the enactment of the law, eligibility and disqualification provisions for those who received FSB were defined by each State legislature. Under the provisions of PL 95-19, the individual who filed for FSB payments had to meet certain job search and job acceptance requirements, or benefits would be denied to that individual for at least the duration of the unemployment spell. These provisions superseded any State job search or job acceptance requirements that applied to FSB recipients. PL 95-19 also reduced the maximum amount of FSB entitlement from 100% of regular

---

*For the first report see Felder, H. E. and West, R. W., "The Federal Supplemental Benefits Program: National Experience and the Impact of PL 95-19," SRI International, Menlo Park, California (January 1978).

UI entitlement (or 26 weeks, whichever was lesser) to 50% of regular UI entitlement (or 13 weeks, whichever was lesser).*

In the first report, aggregate data from 13 States that were on the FSB program from its inception through August 1977 (the period of observation for that study) were used to evaluate the impact of the law. That analysis revealed that after PL 95-19 there were increases in the number of exhaustees, increases in the number of individuals who were denied benefits, and a decline in the average number of beneficiaries during any given week. That report also showed that there was a large variation in the impact across the 13 States. However, because aggregate data were used, it was not possible to evaluate the impact of the changes induced by PL 95-19 on the individual FSB recipient. For example, any changes in ES usage that may have occurred because of the law could not be measured, nor could a description of the individuals affected by the changes in the law be provided.

The purpose of this report is to analyze the impact of PL 95-19 on the individual FSB recipient by evaluating:

- Entitlement to FSB
- Exhaustion of FSB benefits
- Disqualification from the FSB program
- The utilization of the ES by FSB recipients
- The referral and placement experiences of the FSB recipients who used the ES.

The data used in this report come from the UI and employment service (ES) records of the States of California, New York, Pennsylvania, and Washington.

The report is divided into nine sections. In Section II, a summary of this report is presented. In Section III, the operation of the FSB program is summarized. In Section IV, some relevant aspects of the job

---

*Henceforth, when entitlement is given as 100% or 50%, it is to be understood that the percentage pertains to regular UI entitlement, and that the actual entitlement is always the lesser of 100% or 26 times average WBA, or, the lesser of 50% or 13 times average WBA.

search literature are reviewed. In Section V, the design of the study and method of collection are described. In Sections VI through IX, empirical evidence of the impact of PL 95-19 on various aspects of the individuals' UI and ES experiences is presented. Appendix A includes more detailed information about the data and Appendix B presents technical notes on the results.

II SUMMARY

PL 95-19 altered the relationship between the receipt of FSB payments and the job search behavior of the individual relative to what that relationship was before the law was enacted. In this report, it was possible to evaluate some aspects of that changed relationship while some items of interest, notably the post exhaustion employment experiences of the FSB recipient, were not observed. This summary highlights the major findings and states what has been learned from the analysis of the impact of PL 95-19

Impact of PL 95-19

Benefit Entitlement

The analysis measured the average differences in the WBA, the weeks that FSB benefits were paid, and the total amount of FSB received by groups in the periods before and after the implementation of PL 95-19. The amount of changes that would have occurred in these variables if the law had been extended without the entitlement reduction provisions of the law was estimated. The analysis also measured variances across demographic groups in the amount of entitlement that was cut off for those who had equalled or exceeded 50% of entitlement.

The WBA was significantly higher in California, New York, and Washington for those FSB recipients who filed for FSB after PL 95-19 was enacted than it was for those who filed before PL 95-19. The increase in the WBA may have been caused by larger maximum WBA levels or by a general rise in wages that led to higher average WBA in those States.

For the average worker in California, FSB payments were received for an equivalent of 17.6 weeks before PL 95-19 and 7.8 weeks after the

law.* In New York, the figures were 23.8 weeks before and 9.9 weeks after PL 95-19; in Pennsylvania, they were 21.8 weeks and 9.6 weeks, while in Washington they were 11.2 weeks and 6.8 weeks for the periods before and after PL 95-19, respectively.

After adjusting for the demographic characteristics of the individual and such UI variables as WBA and total entitlement, it was found that the net reduction in benefits were 1.15 weeks in California, 7.27 weeks in New York, 6.59 weeks in Pennsylvania, and 1.91 weeks in Washington. These numbers reflect the number of weeks that benefits would have been reduced if the program had been extended without the reduction in entitlement.

Before PL 95-19, the average California FSB recipient was paid $1219 but after PL 95-19 this amount went to $557. In New York, the average went from $1732 to $715; in Pennsylvania, the average went from $1787 to $821; and in Washington, the average went from $804 to $550. If the law had been extended there still would have been a reduction in the total FSB benefits paid although the reduction would not have been as large.

The reduced number of weeks that FSB benefits were received and the reduced amount of FSB benefit payments imply a smaller demand for FSB by the insured unemployed population. This reduced demand is consistent with improved economic conditions for this group during the period after PL 95-19 relative to the period before PL 95-19.

Benefit Exhaustion

In California, Pennsylvania, and Washington there were statistically significant increases in the likelihood of exhausting benefits for those FSB recipients who filed after PL 95-19 was enacted. In New York, the likelihood of exhausting benefits declined. On average, of those recipients who filed for FSB after PL 95-19, 40.3% in California,

*That is, if the individual received the full value of the WBA each of these weeks.

53.7% in New York, 48.8% in Pennsylvania, and 41.8% in Washington were predicted to exhaust benefits. Older workers were more likely to exhaust benefits than any other age group. In New York, over 75% of all FSB recipients who were 65 years or older and who filed for FSB in the post-PL 95-19 period exhausted benefits. Similarly high exhaustion rates were predicted for those 65 or over in each of the other States. For older workers, the probability of exhausting FSB entitlement increased very significantly after PL 95-19.

Disqualifications

Before PL 95-19, 0.3% of all FSB recipients in California were disqualified from receiving FSB for refusing a suitable work offer or for not actively seeking work. After PL 95-19, the percent disqualified increased to 2.3%. The changes in the percent disqualified were 0.5% to 6.2% in New York, 0.3% to 1.4% in Pennsylvania, and 5.5% to 14.2% in Washington. The change in the percent disqualified was statistically significant in every State except Pennsylvania. These changes were the likely result of the disqualification provisions of PL 95-19. For the time periods before and after PL 95-19, the percentages of those disqualified were fairly uniformly distributed across all race, sex, and age groups. Most of the disqualifications were for not actively seeking work.

Before PL 95-19, 9.5% of the disqualified in California, 33.3% of the disqualified in New York, 20.4% of the disqualified in Pennsylvania, and 11.8% of the disqualified in Washington appealed the disqualification decision. After PL 95-19, the percentages were not significantly different. Thus, PL 95-19 did not increase the likelihood that claimants would appeal the disqualification decision. The finding of such a wide range across the States of the percent who appealed reflects differences in the ease of making appeals in these four States. In the States of California, New York and Pennsylvania before PL 95-19, less than 11% of the appeals were decided in favor of the claimant, but after PL 95-19, the favorable appeals increased to a high among the States of 32.5%. In Washington, appeals were more likely to be favorable before PL 95-19 than after.

The law significantly increased the likelihood that the individual would be disqualified but, except for the State of Washington, disqualifications represented a very small fraction of all FSB recipients--that is, they were less than 7%.

Utilization of the ES

Although most FSB recipients utilized the various services of the ES, approximately 15% of all FSB recipients had active ES records in the periods before and after PL 95-19. Active records are those that pertain to job referrals, training programs, or job order placements. Of those who had active ES records, 44.1% of the pre PL 95-19 groups in California had a job placement record. The percent with job placement records declined to 34.2% in the post-PL 95-19 period. Comparable changes in the percentages of job placements among active ES users for the other States were 46.3% and 41.0% in New York, 44.1% and 27.1% in Pennsylvania, and 19.1% and 27.6% in Washington for the periods before and after PL 95-19, respectively.

Referral and Placement Wages

Before PL 95-19, the average hourly wage rates of jobs to which FSB recipients were referred was $3.75 in California, $3.77 in New York, $3.17 in Pennsylvania, and $3.41 in Washington. After PL 95-19, the average hourly wage rates changed to $3.65 in California, $4.08 in New York, $3.35 in Pennsylvania, and $3.39 in Washington. Statistical analysis of the differences across the two periods reveals that on average across all the States in the post PL 95-19 period, the FSB recipient was more likely to accept a lower hourly wage rate and more likely to change occupations. These results suggest that the suitable work provisions of PL 95-19 had a very definite impact on FSB beneficiaries.

What Has Been Learned

After evaluation of the data, the key question is, "What has been learned from this study?" This study has been instructive for the following reasons:

- The consequences were predictable. The study showed that economic reasoning could have predicted the direction of most observed changes. For example, decreases in entitlement led to decreases in the amount of FSB payments received. However, the study showed the magnitude of the impact across States.
- The magnitude of the results varied. One major finding was that the magnitude of the impact of PL 95-19 depended on the UI structure in the State. For example, reductions in benefits paid were greater in States with uniform duration of benefits than in States with varied duration of benefits. Also, the impact of the disqualification provisions of PL 95-19 depended on whether the States had eligibility and disqualification provisions on their regular UI statutes that were similar to those found in PL 95-19.
- The number of people affected varied. The number of people affected by different parts of the law varied considerably. For example, the number of people who had payments cut off after 50% of entitlement was very large. However, the number of people who were disqualified for refusal of suitable work was very small. Thus, some parts of the law had impacts that affected only a very small proportion of the FSB population.
- Agency reaction was measured. The study provided a wealth of information about how the UI and ES agencies reacted to changes in the laws governing the receipt of unemployment compensation. For example, the ES appears to have changed its referral procedures, as these procedures related to the FSB population. There is also reason to believe that the UI agencies increased their scrutiny of recipient eligibility.
- It provided information on possible changes in the UI program. The small number of individuals affected by some provisions of PL 95-19 suggests that alternative approaches, or no changes at all to the basic FSB program, may be the recommended future course in the event of another major increase in unemployment.
- It provided information on future research direction. This study shows that a more complete picture of the impact of PL 95-19 may be obtained through an evaluation of the post exhaustion labor market experiences of FSB recipients.

III THE FSB PROGRAM

Introduction

During the last quarter of 1974, drastically increasing unemployment rates reflected the slackening of the nation's economy. In December, the seasonally adjusted national unemployment rate stood at 7.2% (it eventually reached 8.9% in May 1975--the highest level since 1940). The rise in joblessness affected nearly all major labor force groups but hit hardest at blue-collar workers, adult women, teenagers, black workers as a group, and veterans ages 20 to 24 years. By December 1974, there was a drop of about 440,000 in total employment relative to December 1973.

In response to this, Congress passed and President Ford signed the "Emergency Jobs and Unemployment Assistance Act of 1974" and "The Emergency Compensation Act of 1974." The first Act increased funding for public service jobs and created the Special Unemployment Assistance (SUA) program. The second Act, PL 93-572, created the FSB program.

Emergency Unemployment Compensation Act of 1974

Under the provisions of the Emergency Unemployment Compensation Act of 1974 (PL 93-572), payments of emergency compensation may be made to individuals if the following conditions were met:

- By the State
  - The State must enter into an agreement with the Secretary of Labor to provide FSB payments.
  - The State must be providing extended benefits (EB) payments under the Federal-State Extended Unemployment Act of 1970 (PL 91-373).
  - The State must be in an "emergency on" period, a period triggered on if the insured unemployment rate (IUR) for the State equals or exceeds proscribed limits.

- The State may provide FSB payments if there is a national EB trigger on.
- Once in effect, the emergency benefit payment period must last for 26 continuous weeks.

• By the Individual

- The individual has exhausted all entitlement to regular UI compensation.
- The individual has exhausted all entitlement to EB compensation.
- The individual is not eligible under any other unemployment compensation program.

Entitlement and Funding of Payments

The emergency compensation entitlement was to be the lesser of 50% of the total amount of regular UI entitlement (including dependents' allowances) or 13 times the average WBA.

The maximum duration in weeks of benefits for the regular State UI program varies from 20 to 39 weeks, but 26 weeks is the most frequent maximum duration. The total entitlement from regular UI and EB was not to exceed 39 weeks and the total entitlement from regular UI, EB, and FSB was not to exceed 52 weeks. The emergency compensation payments were to begin for weeks of unemployment after December 31, 1974 with initial claims being taken until December 31, 1976. There would then be a three-month phaseout of the program with no FSB payments being made after March 31, 1977.

The FSB compensation paid to individuals was to be funded from the extended unemployment compensation account (as established by Section 905 of the Social Security Act) of the Unemployment Trust Fund. The Federal taxing provisions for the FSB program are in the Federal Unemployment Tax Act, Chapter 23 of the Internal Revenue Code. PL 93-572 made funds available, as repayable advances from general revenues in the event the normal funding for unemployment compensation was depleted.

Amendments to PL 93-572

Several amendments to the original legislation were enacted during the three years of the FSB program. PL 94-12, enacted March 29, 1975, increased the amount of entitlement to 26 times the WBA (or 26 weeks), up to a maximum of 65 weeks of benefits for the combined UI, EB, and FSB entitlement. As the emergency benefit payment period was on due to the national trigger, this legislation enabled all States to pay up to 26 weeks of FSB benefits.

PL 94-45, enacted June 30, 1975, made the maximum entitlement a function of the IUR in each State. Thirteen weeks of FSB entitlement would be available to individuals in those States in which the IUR for the most recent 13-week period was equal to or greater than 5%, but less than 6%. The maximum combined entitlement for regular UI, EB, and FSB in such States was 52 weeks. When the IUR equalled or exceeded 6% in a State, that State could make FSB payments to an individual up to 26 weeks for a maximum combined entitlement for regular UI, EB, and FSB of 65 weeks. These provisions became effective January 1, 1976.

Provisions of PL 95-19

Thirteen-Week Maximum

Under the provisions of PL 95-19 the maximum entitlement for the individual is set at the lesser of 50% of the regular compensation or 13 times the WBA. The combined maximum duration of benefits is set at 52 weeks. In addition, the emergency benefit payment period for the State is reduced from no less than 26 continuous weeks to no less than 13 continuous weeks. Benefit payments were discontinued after the individual had received 50% or more of his or her entitlements. This part of the law applied to all emergency compensation for weeks ending after April 30, 1977.

Eligibility Requirements

PL 95-19 introduced Federal eligibility requirements for receipt of emergency compensation payments. Previously, all eligibility conditions were specified in State law. In order to provide FSB payments, the States had to incorporate the language of PL 95-19 into their UI statutes. PL 95-19 declared that emergency compensation shall not be paid for any week during which the individual: (i) "Fails to accept any offer of suitable work or to apply for any suitable work to which he was referred by the State agency (the ES)," or (ii) "Fails to actively engage in seeking work." As part of the requirement for active search for FSB claimants, the individual had to provide tangible evidence of having spent time searching.

Disqualification Provisions

PL 95-19 requires that the claimant who is declared ineligible under the "suitable work" or "actively seeking work" provisions will remain ineligible until that claimant has become employed for at least four weeks, and the individual's earnings in that period equals or exceeds at least four times the individual's previous WBA. This provision imposes a benefit denial of the duration of unemployment on disqualified recipients. Only 19 States impose the duration of unemployment denial on their regular UI claimants; 16 States deny benefits for a fixed number of weeks; and 20 States deny benefits for variable lengths of time.*

Definition of Suitable Work

The law defines a suitable work offer, for purposes of receiving FSB payments, as that offer which: (1) is presented in writing and listed with the Employment Service of that State; and (2) pays at least as much as the average weekly benefit amount; or (3) pays at least the minimum Federal wage, or any applicable State or local minimum wage.

---

*Some States impose more than one type of disqualification penalty.

An exception to these requirements is made if the individual furnishes evidence that his prospects for immediately returning to work in his customary occupation are good.

Summary

The FSB program was unique as an extended benefits program. For much of the life of the program, UI benefits were available nationally for as many as 65 weeks. The provisions of PL 95-19 dramatically changed many aspects of the FSB program and economic theory suggests that the law would lead to changes in the job search and job acceptance behavior of FSB recipients. In the next section, some of these economic considerations regarding the behavior of the unemployed UI recipients are explored. This exploration will permit the development of a set of expectations regarding the impact of various components of PL 95-19 on the FSB recipient.

IV UNEMPLOYMENT INSURANCE AND JOB SEARCH BEHAVIOR

Introduction

An understanding of the impact of PL 95-19 on individual behavior requires an understanding of the relationship between the receipt of UI benefits and job search behavior. The modifications in the FSB program brought about by PL 95-19--the reduction in entitlement, the increased search requirement, and the job acceptance requirement--are related to distinct issues in job search theory. These issues include determinants of the duration of unemployment, search intensity, search methods used by unemployed workers, and the reservation wage of the unemployed worker. Each of these topics will be explored briefly along with a discussion of some prior empirical studies of the FSB program.

Issues in the Relationship Between UI and Job Search

Duration of Unemployment

Several writers have noticed a positive relationship between the receipt of UI and the duration of unemployment. Using a variety of estimation techniques and sample sets, Marston (1975), Felder (1975, 1977), Ehrenberg and Oaxaca (1976), and Holen and Horowitz (1974) have shown that the duration of unemployment tends to be longer for those who receive UI than for those who do not receive UI benefits. The simple theory of job search suggests that workers who receive UI set higher reservation wages with the result that they remain unemployed longer. These theories also assume that the longer search period is associated with higher postunemployment wages. Any increase in the duration of unemployment in response to the receipt of UI has been called the "work disincentive effect" of the UI system. Feldstein (1974) suggests that if these work disincentive effects were eliminated total unemployment could be substantially reduced. Felder (1977) has shown that, contrary to expectation,

the longer duration of unemployment induced by the receipt of UI does not lead to increases in the wages received when a job offer is accepted. These theories and empirical evidence suggest that shortening FSB entitlement should lead to a quicker return to work of FSB recipients.

Search Intensity

Those who receive UI benefits are expected to search more intensely than those who do not receive UI benefits. Because search is costly, the UI benefits subsidize search costs and should lead to more time spent in search activity. Job search theory suggests that the more time the individual spends in search, the more likely he is to receive an acceptable wage offer.* The minimum search provisions of PL 95-19 are designed to increase the number of potential wage offers that the individual investigates, thus hastening his return to employment.

Jobseeking Methods Used by Unemployed Workers

The unemployed worker may use several methods to obtain employment. These methods include the use of formal intermediaries, such as the State employment service, private employment agencies, labor union hiring halls, school placement offices, and job wanted (or sought) advertisements in newspapers or journals. They also include the use of informal methods, such as direct application to employers and asking friends, relatives, or teachers. The worker's choice of which method to use will depend on his or her perception of the likelihood of a particular method yielding favorable results and the costs of a particular method.

The UI laws of most States require that recipients register with the ES at the time of filing for benefits. Under the provisions of PL 95-19, disqualification for refusal of a suitable work offer requires the listing of the job with the ES and a written job offer to the recipient.

---

*This assumption recognizes that search intensity may vary across occupation, but for two individuals in the same occupation it is likely to be true that the one who searches most intensively will receive a suitable wage offer sooner.

A possible consequence of PL 95-19 was that there would be increased ES use by FSB recipients. However, in a recent study it was shown that the ES, as a job placement method, accounted for only 5.1% of all job placements by unemployed workers (Rosenfeld et al., 1975). Among most groups, the ES ranked far below such popular methods as direct contact with employers, the use of friends and relatives, and answering want ads. Although ES utilization may increase as a result of PL 95-19, it was not expected to be a major source of job placement of FSB recipients.

Reservation Wage of the Unemployed

Search theory suggests that the individual sets a wage rate below which he will not accept a job offer. This wage is called the "reservation" wage. As job offers are received, they are measured against the reservation wage and the expected returns of future search. If the wage offer exceeds the reservation wage, the job offer is accepted; otherwise it is rejected. Some theories assume that as unemployment continues the skills of the unemployed worker deteriorate, leading to a reduction in wage expectations, and that this effect, combined with an increase in boredom associated with too much leisure, has caused a steady decline in the reservation wage (Holt, 1970a, 1970b). Other theories have postulated a constant reservation wage with the certainty of an acceptable wage offer if enough job vacancies are explored (Stigler, 1961, 1962; McCall, 1970).

PL 95-19 implicitly assumes that because FSB recipients tend to be long-term unemployed, their job prospects are sufficiently poor and they should lower their reservation wage to the minimum wage or the equivalent value of the WBA. Thus, PL 95-19 defines the reservation wage for FSB recipients. Prior to PL 95-19, the State agencies set the minimum reservation wage for FSB recipients by considering the past earnings and the existing job prospects for that individual. This procedure is still being used for recipients of regular UI and EB. If jobs are readily available at the minimum wage, then the effect of PL 95-19 will be to increase the number of FSB recipients who return to work.

If, however, jobs are very scarce, then the law is not expected to have much impact.

Previous FSB Research

Independent researchers (Davis, 1977; Devins, 1970; Corson, et al., 1977), the U.S. Department of Labor, and several State Departments of Labor (e.g., Hawaii, Connecticut, New York) have examined the characteristics and labor market experiences of FSB recipients. Many of these papers evaluate the experiences of FSB exhaustees and indicate that FSB recipients: (1) tend to be older than other UI recipients and unemployed persons, (2) are more likely to be females, and (3) have similar educational levels. Also, FSB recipients are more often employed in manufacturing labor markets attachments. FSB recipients are likely to find employment in a different occupation and at a lower wage than the occupation and wage rate of their preunemployment job. In general, the research shows that FSB recipients do not appear to be very dissimilar from unemployed individuals taken as a group. However, other than the study by Felder and West (1978), there has been no previous evaluation of the impact of PL 95-19 on FSB recipients.

Summary

The basic theoretical concepts of job search behavior are shown to be related to many of the provisions of PL 95-19. However, empirical evidence of the relationship of UI and search behavior does not provide sufficient information to predict, with much certainty, the impact of the law.

V DESIGN OF THE STUDY

Introduction

The first report on the impact of PL 95-19 used aggregate data about the operation of the FSB program in order to measure the impact. This approach could not assess the impact of the law on the individual FSB recipient nor could it address the principal areas of concern: (1) changes in entitlement, exhaustion, and disqualification; (2) the use of the ES in job placement; and (3) the labor market behavior of the individual after benefits are exhausted. This study is designed to overcome some of the limitations of the first report by using data about the individual to measure the impact of the law. The data used in the analysis come from the UI and employment service automatic record system (ESARS) files of the FSB recipient. The timing of the report prevented the administration of a questionnaire, so the labor market behavior of the individual is not observed. In this section the State selection procedure, the sample collection method, and the methodology used in the analysis are described. These items constitute the study design.

State Selection Procedure

The four States of California, New York, Pennsylvania, and Washington were chosen for this study. These States are among the 13 States that were evaluated in the first report.* Approximately 34% of all the regular UI benefits and 48% of all the FSB benefits paid during the first two quarters of 1977 went to recipients in these four States (Felder and West, 1978). In addition, almost one-half of all FSB recipients were found in these States.

*The other States were Alaska, Connecticut, Maine, Michigan, New Jersey, Oregon, Puerto Rico, Rhode Island, and Vermont (Felder and West, op. cit., p. 36.).

Two of the States, New York and Pennsylvania, paid FSB benefits for a uniform period of 26 weeks. The other two, California and Washington, offered variable duration of FSB benefits; benefit duration was a minimum of 8 and a maximum of 26 weeks. All four States paid FSB from the beginning of the program in January 1975 until its termination in January 1978. During most of this time, the IUR of each State remained near or above 6%. Thus, from several criteria the data used for these States is expected to be representative of individual FSB experience across the nation.

Sample Selection Procedure

The base population for the study consists of those individuals who received at least one FSB payment between February 1, 1977 and August 31, 1977. The data items that were associated with each individual came from periods before or after this period. Excluded from this base were interstate claimants, supplemental unemployment assistance claimants, and Federal or ex-servicemen claimants.

The base population was divided into two groups:

- The 5% Sample:* A random sample of 5% of the base population was chosen as the basic group for analyses. This group included disqualified persons, exhaustees, and other beneficiaries.
- The Disqualified Sample: The 5% sample was supplemented by selecting individuals who were disqualified for refusal of suitable work (RSW) or not actively seeking work (NASW).

The relationship between the two groups is represented in Figure 1. The sample selection procedure included the universe of all those disqualified for RSW and a sample, but not less than 1000, of those disqualified for NASW. The two samples were combined, and selected items

---

*Because of the small size of the FSB base population in Washington, a 10% sample was drawn. New York also chose to use a 10% sample to achieve a larger number of disqualified recipients. In the text, whenever reference is made to a "5% sample" it includes the 10% samples from Washington and New York.

from the UI and ESARS records formed the data tape used in the analysis. Not all individuals in the 5% sample or the disqualified sample had ES records. The resulting sample sizes are shown in Table 1.

Construction of the Data File

To evaluate the impact of the data, two types of sample groups were developed. The first sample type is divided into the pre-, twilight, and post-PL 95-19 groups. The "pre" group refers to those individuals who filed benefits in enough time to exhaust 100% of UI entitlement before March 31, 1977. This group were unaffected by PL 95-19 if they received FSB consecutively for the total weeks of entitlement. The "twilight" group were those recipients who filed before March 31, 1977 and could not have received 100% of UI entitlement. The "post" group were those who filed for benefits after April 30, 1977. The post group became the treatment group. The distribution of usable observations in the 5% sample and the disqualified sample are shown in Tables 2 and 3. The second sample type is the cohorts of all recipients who filed during February or May 1977. This sample type was used for the evaluation of the ES population. Further description of the data collection method is found in Appendix A.

Limitations of the Data Base

Analysis of the effect of PL 95-19 on job search is influenced by several characteristics of the data base. First, no data are available to describe the job search or placement activities of FSB recipients outside the UI system. This restricts the analysis of the impact of the law to those issues that are within the UI system. This is likely to introduce a bias of unknown direction in the impact analysis. For example, it is conceivable that PL 95-19 may significantly affect the rate at which individuals seek jobs and are placed in them, but if these activities occur outside the UI system the impact analysis will be relatively insensitive to the change. Also, if PL 95-19 causes

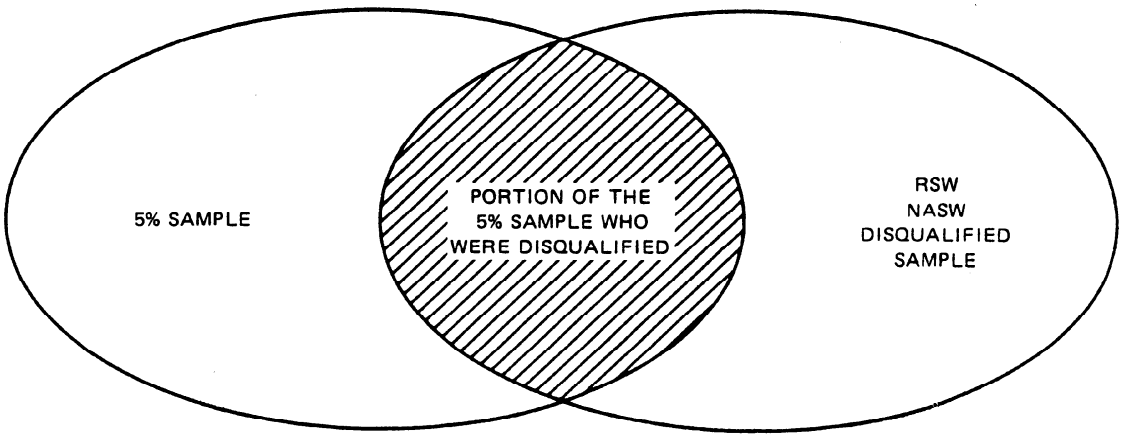


FIGURE 1 RELATIONSHIP OF THE 5% AND DISQUALIFIED SAMPLES

Table 1

SIZES OF THE SAMPLES USED IN THE ANALYSIS BY STATE

State	Total Record	5% Random Sample	Disqualified Sample	ES Sample
California	13,076	10,965	2,227	3,182
New York*	12,076	11,249	1,226	1,316
Pennsylvania	10,902	9,985	1,020	1,415
Washington	3,889	2,084	2,006	1,044
Total	39,943	34,283	6,479	6,956

*Only one half of New York's 10% sample was used. See Appendix A.

Table 2

DISTRIBUTION OF PERSONS IN 5% SAMPLE
COMPRISING BASE POPULATION IN TABLES

	California			New York			Pennsylvania			Washington		
	Pre	Twi	Post	Pre	Twi	Post	Pre	Twi	Post	Pre	Twi	Post
Total	2,201	3,942	2,604	2,500	5,027	2,815	1,424	4,710	2,509	469	899	621
Male	1,214	2,282	1,398	1,458	2,762	1,524	886	2,816	1,475	244	503	324
Female	987	1,660	1,206	1,042	2,265	1,291	538	1,894	1,034	225	396	297
White	1,460	2,664	1,822	1,938	3,927	2,147	N/A	N/A	N/A	366	711	504
Male	807	1,564	962	1,095	2,105	1,129	N/A	N/A	N/A	179	384	247
Female	653	1,100	860	843	1,822	1,018	N/A	N/A	N/A	187	327	257
Nonwhite	741	1,278	782	562	1,100	668	N/A	N/A	N/A	103	188	117
Male	407	718	436	363	657	395	N/A	N/A	N/A	65	119	77
Female	334	560	346	199	443	272	N/A	N/A	N/A	38	69	40
Age Group												
16-21	71	135	102	248	534	327	38	194	146	59	93	67
22-43	999	1,846	1,149	1,212	2,483	1,410	695	2,292	1,241	267	529	358
44-63	896	1,618	1,143	790	1,538	799	479	1,584	797	119	209	164
64+	235	343	210	250	472	279	212	640	325	24	68	32

N/A = Information not available.

Table 3

DISTRIBUTION OF PERSONS IN DISQUALIFIED SAMPLE COMPRISING BASE POPULATION IN TABLES*

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	158	1,234	106	587	49	378	228	830
Male	85	621	60	275	23	187	107	378
Female	71	604	54	325	26	191	117	436
White	96	831	96	488	N/A	N/A	178	666
Male	44	407	47	220	N/A	N/A	77	288
Female	51	420	49	268	N/A	N/A	98	364
Nonwhite	37	267	18	109	N/A	N/A	50	164
Male	24	150	13	53	N/A	N/A	30	90
Female	13	115	5	56	N/A	N/A	19	72
Age Group								
16-21	12	67	13	80	1	18	30	107
22-43	77	547	63	320	20	156	129	404
44-63	63	539	31	147	17	102	51	208
64+	6	81	7	53	7	65	14	70

*Sex, race, and age categories may not sum to total due to missing information.

N/A = Information not available.

individuals to decrease their use of the non-ES job search and increase use of the ES, the impact analysis will tend to overstate the influence of PL 95-19 on the job search process.

Secondly, the effects of PL 95-19 require that a pre- and post-PL 95-19 impact assessment be employed rather than an analysis that uses experimental and control groups. The disadvantages of this approach arise because many other economic factors of importance to the job search process change over time. Thus, the pre and the post periods, however they might be defined, are periods that differ not only in terms of the FSB regulations, but also in terms of the prevailing rate of unemployment in the local economy, the composition of the labor force, the absolute and relative levels of wages prevailing in various occupations, and the scale and nature of other governmental programs (such as CETA) directed at the unemployed. These influences must be controlled if the impact analysis is to yield meaningful results. Unfortunately, many of these influences were not observed.

The third major limitation of the data arises due to the inherently truncated nature of the data in our sample. Because the data were, by necessity, drawn at a specific time from a population of FSB claimants who had filed for claims between fixed dates, certain individuals in the sample are observed too early for important events. Claimants whose original FSB claim date was during the pre-PL 95-19 period would not have been observed if they had obtained job placement or for some other reason left the FSB system prior to February 1977. Both of these truncation effects will bias an analysis that attempts to associate the experience of groups at points in time with the effects of PL 95-19.

These data constraints have been addressed in the analyses that follow, and procedures have been employed to reduce the biases inherent in the sample. However, the reader should be aware of the difficulties that these sampling problems cause in evaluating the impact of PL 95-19.

Method of Analysis

A simple comparison of the mean value of variables, measured in the periods before and after PL 95-19, is not a satisfactory method of evaluating the impact of the law. The comparison of means implies that all characteristics of the two groups compared are identical except for the single variable that is being observed. For this reason, multivariate regression analysis is used to measure the impact. The regression model, $y_i = x_i\beta_i + \varepsilon_i$, relates a dependent variable y to a series of independent variables denoted by the vector x, which are used to explain differences in the dependent variables. The coefficients denoted by the vector β estimate the relationship between the independent and dependent variables, and an error term ε tells us how much confidence to place on the estimated results. The subscript i refers to the ith individual in the analysis. Throughout the next four chapters, the dependent variables and the principal independent variables will be identified. The actual regression estimates and the variables used in the regression will be found in Appendix B.

VI ENTITLEMENT TO BENEFITS

Introduction

For purposes of this report, FSB benefit entitlement is defined as the monetary value of the benefits available to the claimant. It is based on the individual's regular UI entitlement, which in turn is based on the prior earnings and employment record of the individual. It is the same as the average WBA times the number of weeks that the average WBA can be paid. Eight States have a uniform duration of benefits, and entitlement is fixed once the WBA is known; in all other States, both the duration of benefits and the WBA are required to determine entitlement. Because the four States in the study had IURs in excess of 6% throughout the period of analysis, FSB recipients in those States had a reduction in benefit entitlement relative to the period before PL 95-19.

In this section, the impact of PL 95-19 on a series of measures of benefit entitlement is estimated in order to test a series of hypotheses that relate PL 95-19 to changes in entitlement. The measures of entitlement are:

(1) Weekly benefit amount
(2) Number of weeks that FSB benefits were received
(3) Total amount of FSB benefits
(4) The amount of entitlement cutoff.

Impact of PL 95-19 on WBA

In Table 4, the average WBA received by recipients in each State in the periods before and after PL 95-19 is shown. PL 95-19 was not expected to have any impact on the value of the WBA, but in California, Pennsylvania, and Washington there are statistically different average values of the WBA in the post-PL 95-19 period. The average value of the WBA in the post-PL 95-19 period was $70.63 in California, $72.49 in New York, $79.06 in

Table 4

AVERAGE UI WEEKLY BENEFIT AMOUNT BY STATE,
TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	$65.15	$70.63	$72.72	$72.49	$82.09	$86.02	$70.99	$79.06
Male	70.40	77.63	79.98	78.07	94.65	99.12	78.21	86.13
Female	58.68	62.52	62.55	65.90	61.43	67.34	63.15	71.34
White	67.15	72.32	72.80	72.91	N/A	N/A	70.61	78.65
Male	72.60	79.77	81.17	79.73	N/A	N/A	78.92	86.90
Female	60.42	63.99	61.92	65.36	N/A	N/A	62.65	70.73
Nonwhite	61.20	66.70	72.43	71.12	N/A	N/A	72.34	80.79
Male	66.05	72.92	76.39	73.33	N/A	N/A	76.28	83.65
Female	55.29	58.87	65.21	67.93	N/A	N/A	65.61	75.28
Age Group								
16-21	48.31	50.23	57.86	57.68	51.13	64.92	62.90	67.24
22-43	63.84	69.73	75.93	75.54	82.08	86.52	71.63	79.18
44-63	66.67	72.26	74.84	75.00	82.48	88.33	72.10	82.31
64+	70.00	76.61	65.17	67.25	86.82	87.92	78.25	85.78

N/A = Information not available.

Washington, and $86.02 in Pennsylvania. Within each State, males received a substantially higher WBA than did females. This higher WBA by males is consistent with the higher previous earnings of males relative to females. Whites received a higher WBA than nonwhites in California and New York, but not in Washington. This result is somewhat surprising, although the differences are not likely to be statistically significant in all States. The youngest age group received the lowest WBA.

The increased value of the WBA is partially accounted for by inflationary pressures. It also may be due to increases in the maximum WBA in the States.* Because the post-PL 95-19 recipients had, on average, later UI starting times, they also may have had higher base period wage rates--hence higher WBAs. Also, across demographic groups the differences in WBA may have been attributable to differences in such factors as the individual's occupational or industrial classification.

When multivariate regression analysis is used to adjust for inflationary factors, demographic characteristics, the occupation and the industry the individual was in before becoming unemployed, the following picture emerges of the impact of PL 95-19: The WBA of the post-PL 95-19 group was, on average, $11.28 higher than the WBA of the pre-PL 95-19 group for California FSB recipients. The post-PL 95-19 WBA was $1.46 higher in New York, $7.12 higher in Washington, but unchanged in Pennsylvania.

The finding that the real value of the WBA was higher in three of the four States for the post-PL 95-19 FSB recipient suggests that this group was economically better off than the pre-PL 95-19 FSB recipient. Although weeks of benefit entitlement were reduced by PL 95-19, the reduction in total benefit entitlement was partially offset by the higher WBA.

---

*All the States increased their maximum WBA during the period of initial UI claims for the 5% sample.

Impact of PL 95-19 on Weeks of FSB Benefits Received

PL 95-19 was expected to have a direct impact on the number of weeks of benefits paid in at least three ways: (1) by the reduction in entitlement; (2) by the increased search activity required and the lower reservation wage, both of which should lead to an increased probability of a job acceptance; and (3) by more strenuous disqualification provisions. In Table 5, the average number of weeks that individuals received FSB payments is shown and in Table 6 the average number of weeks of combined regular UI, EB, and FSB payments is shown. In New York and Pennsylvania the potential benefit duration was 26 weeks for all recipients, but it varied for recipients in California and Washington. The average potential benefit durations for these two States are shown in Table 7.

These tables show that the weeks of benefit receipt varied substantially over the pre- and the post-PL 95-19 periods as expected. They also show that when benefit duration is fixed, the average number of weeks that recipients draw benefits is greater than when benefits vary. This observation (trivial in a mathematical sense) leads to the conclusion that it is very difficult to define an optimal length of benefits duration. The statistics of these tables are consistent with the hypothesis that individuals receive benefits for nearly a constant percent of all the weeks of benefits to which they are entitled.

When multivariate statistical regression techniques are used, they show that in California, if there had been a simple extension of the FSB program, there would have been an average reduction in the number of weeks that benefits were received of 1.15 weeks, in New York the average reduction would have been 7.27 weeks, in Pennsylvania the average reduction would have been 6.59 weeks, and in Washington the average reduction would have been 1.91 weeks. These results suggest that the economy had improved sufficiently and that FSB recipients had reduced their use of FSB.

Table 5

AVERAGE NUMBER OF WEEKS OF FSB PAYMENTS ASSUMING FULL UI WEEKLY BENEFIT AMOUNT PAYMENTS, BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	17.6	7.8	23.8	9.9	21.8	9.6	11.2	6.8
Male	18.2	7.7	23.7	9.7	21.5	9.3	11.1	7.0
Female	17.0	7.9	23.9	10.1	22.3	9.9	11.2	6.7
White	18.6	7.8	23.7	9.8	N/A	N/A	11.2	7.0
Male	18.8	7.7	23.6	9.5	N/A	N/A	11.1	7.2
Female	18.3	7.9	23.9	10.1	N/A	N/A	11.3	6.8
Nonwhite	15.7	7.7	24.1	10.2	N/A	N/A	11.0	6.1
Male	16.9	7.7	24.2	10.2	N/A	N/A	11.2	6.2
Female	14.3	7.8	24.0	10.1	N/A	N/A	10.6	5.9
Age Group								
16-21	14.0	6.8	24.0	9.1	18.6	8.5	10.6	5.2
22-43	17.4	7.6	23.6	9.7	21.6	9.3	11.1	6.9
44-63	17.4	7.8	24.0	10.1	22.2	9.8	11.5	7.2
64+	20.8	9.1	24.3	11.0	22.0	10.1	11.5	8.0

N/A = Information not available.

Table 6

AVERAGE NUMBER OF WEEKS OF UI, EB, AND FSB PAYMENTS ASSUMING FULL UI WEEKLY BENEFIT AMOUNT PAYMENTS, BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	49.8	41.8	62.8	48.9	60.8	48.6	40.9	38.0
Male	51.2	41.9	62.7	48.7	60.5	48.3	40.9	37.4
Female	48.0	41.6	62.9	49.1	61.3	48.9	40.9	38.6
White	51.8	42.2	62.7	48.8	N/A	N/A	41.7	39.1
Male	52.5	42.2	62.6	48.5	N/A	N/A	41.9	38.9
Female	51.0	42.2	62.9	49.1	N/A	N/A	41.4	39.2
Nonwhite	45.8	40.8	63.1	49.2	N/A	N/A	38.2	33.3
Male	48.7	41.1	63.2	49.2	N/A	N/A	38.2	32.6
Female	42.4	40.3	63.0	49.1	N/A	N/A	38.2	34.6
Age Group								
16-21	41.3	38.3	63.0	48.1	57.6	47.5	37.3	33.2
22-43	49.4	41.8	62.6	48.7	60.6	48.3	41.2	37.5
44-63	49.5	41.6	63.0	49.1	61.2	48.8	41.5	39.8
64+	55.3	44.6	63.3	50.0	61.0	49.1	43.2	43.2

N/A = Information not available.

Table 7

AVERAGE WEEKS OF FSB ENTITLEMENT IN CALIFORNIA AND WASHINGTON, BY TIME PERIOD

	California		Washington	
	Pre	Post	Pre	Post
Total	21.5	11.3	19.9	10.4
Male	22.1	11.3	20.0	10.2
Female	20.8	11.2	19.9	10.7
White	22.2	11.5	20.4	10.7
Male	22.5	11.5	20.7	10.6
Female	21.8	11.5	20.2	10.8
Nonwhite	20.2	11.0	18.3	9.1
Male	21.3	11.2	18.1	8.9
Female	18.8	10.9	18.6	9.6
Age Group				
16-21	18.2	10.4	18.0	9.4
22-43	21.5	11.3	20.2	10.3
44-63	21.4	11.2	20.1	10.9
64+	23.1	11.9	21.3	11.7

Impact of PL 95-19 on Total FSB Received

Total FSB entitlement and total benefits paid, more than changes in WBA or changes in duration of benefits, reflect the impact of the law. In Table 8, the monetary value of average FSB entitlement for various groups during the pre- and post-PL 95-19 periods is shown. Average entitlement before PL 95-19 was $1,445 in Washington, $1,449 in California, $1,891 in New York, and $2,134 in Pennsylvania. After PL 95-19, the entitlement averages were $838 in Washington, $829 in California, $942 in New York, and $1,118 in Pennsylvania. The average entitlement in each State in the post-PL 95-19 period was approximately 50% of what it has been in the pre-PL 95-19 period.

It is when the actual benefits paid are examined that a somewhat different pattern emerges. In Table 9, the average amount of FSB that was paid in the periods before and after PL 95-19 is shown. These numbers show benefits paid often reduced by less than 50%. Because the benefits paid must account for the WBA, the weeks entitlement, and other factors, multivariate regression techniques were used to estimate the effects of a simple extension of the program without the reduction in entitlement. The results of the analysis show that in California, total benefits paid would have been reduced by $163 for the average post-PL 95-19 FSB recipient. In New York the average reduction would have been $768, in Pennsylvania the average reduction would have been $1,023, while in Washington the average reduction would have been only $55.* These results support the earlier findings--that benefits paid out would have been reduced in the event of a simple benefit extension. The

*The regression method permits an evaluation of the effects of differential weeks of benefit entitlement in California and Washington. Because weeks of benefit entitlement is constant in New York and Pennsylvania the payment reduction appears much larger than the results for the other two States.

Table 8

AVERAGE FSB ENTITLEMENT BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	$1,449	$829	$1,891	$ 942	$2,134	$1,118	$1,445	$ 838
Male	1,610	918	2,080	1,015	2,461	1,289	1,604	894
Female	1,251	725	1,626	857	1,597	875	1,274	778
White	1,537	858	1,893	948	N/A	N/A	1,474	859
Male	1,689	951	2,111	1,036	N/A	N/A	1,669	936
Female	1,349	754	1,610	850	N/A	N/A	1,287	784
Nonwhite	1,276	760	1,883	925	N/A	N/A	1,344	751
Male	1,453	845	1,986	953	N/A	N/A	1,424	759
Female	1,060	653	1,695	883	N/A	N/A	1,206	737
Age Group								
16-21	907	539	1,504	750	1,329	844	1,159	629
22-43	1,411	820	1,974	982	2,134	1,125	1,471	827
44-63	1,477	844	1,946	975	2,144	1,148	1,481	914
64+	1,667	935	1,694	874	2,257	1,143	1,681	1,021

N/A = Information not available.

Table 9

AVERAGE TOTAL FSB BENEFITS RECEIVED BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	$1,219	$557	$1,732	$715	$1,787	$821	$804	$550
Male	1,357	607	1,894	756	2,034	919	878	610
Female	1,039	498	1,506	666	1,379	682	724	485
White	1,295	580	1,727	712	N/A	N/A	801	561
Male	1,420	635	1,908	759	N/A	N/A	878	635
Female	1,142	519	1,493	659	N/A	N/A	728	490
Nonwhite	1,005	530	1,751	726	N/A	N/A	814	503
Male	1,169	580	1,849	750	N/A	N/A	879	528
Female	805	468	1,572	691	N/A	N/A	702	454
Age Group								
16-21	699	342	1,382	536	953	553	683	344
22-43	1,177	538	1,789	729	1,779	808	805	556
44-63	1,229	567	1,803	753	1,826	863	845	599
64+	1,538	719	1,584	741	1,873	892	894	666

N/A = Information not available.

regression analysis shows the real monetary difference between the pre- and post-PL 95-19 periods. When the various factors that affect the amount of benefits paid are accounted for, it becomes clear that the monetary impact of PL 95-19 was not as large as it first appears when only the mean value is evaluated. Improved economic conditions would have reduced benefit payments. It is also clear that, for the average FSB recipient, the amount of benefit reduction varied greatly across the States. This suggests that the reduction in benefits is greater in those States with uniform benefit duration than in those States that have variable benefit duration.

Impact of PL 95-19 on Entitlement Loss

Those individuals who filed for FSB benefits in the period between November 1976 and March 1977 (depending on the weeks of entitlement in California and Washington) were not able to collect benefits for the full length of their expected entitlement. In Table 10, the estimated total number of individuals affected and the average amount of potential entitlement that was cut off for those individuals who were not disqualified are shown. (The totals were calculated by inflating the samples.) In California, this potential loss averaged $701, in New York $726, in Pennsylvania $1,186, and in Washington $922.

The averages that appear in this table are for those individuals who continued to receive benefits in the week before the relevant provisions of PL 95-19 were effective. Under these provisions, they became ineligible for further FSB payments. Many of them would have ceased receiving benefits before benefits were exhausted, so the entitlement loss represents the maximum value.

When multivariate regression procedures are used, they reveal that after accounting for WBA and weeks of benefit duration, there are few demographic characteristics that affect the value of the loss. One consistent finding is that those 65 years old or over had much larger losses than any other age group. From this it is concluded that the incidence of this aspect of PL 95-19 was random as it relates to demographic, occupational, and industrial characteristics with the exception of the older age group.

Table 10

ESTIMATED NUMBER OF RECIPIENTS AFFECTED AND AVERAGE ENTITLEMENT LOSS BY STATE AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	N	Mean	N	Mean	N	Mean	N	Mean
Total	59,180	$701	73,740	$726	59,740	$1186	4,120	$ 922
Male	34,520	776	39,720	793	33,380	1395	2,260	1027
Female	24,660	597	34,020	649	26,360	922	1,860	795
White	28,800	713	57,000	726	N/A	N/A	3,290	946
Male	16,760	797	29,620	801	N/A	N/A	1,800	1042
Female	12,040	596	27,380	646	N/A	N/A	1,490	830
Nonwhite	14,460	621	16,180	730	N/A	N/A	830	828
Male	8,060	696	9,740	776	N/A	N/A	460	969
Female	6,460	528	6,440	661	N/A	N/A	370	653
Age Group								
16-21	1,880	504	6,620	566	2,020	884	360	637
22-43	27,820	691	35,480	737	27,340	1190	2,410	903
44-63	22,720	701	23,500	758	21,240	1193	1,050	988
64+	6,760	799	8,140	717	9,140	1225	300	1191

Note: The numbers, N, are formed by weighing the sample for California, New York, and Pennsylvania by 5% and the sample for Washington by 10%.

N/A = Information not available.

Summary

In this section, the impact of PL 95-19 on FSB entitlement has been assessed by evaluating WBA, weeks of benefits receipt, and total FSB benefits paid. Although the average values of the WBA and FSB entitlement corresponded very closely to the statutory provisions of PL 95-19, the actual impact of the law on the benefits paid was much smaller in States where benefits varied than it was in States with fixed benefit duration. Rather than a reduction of 50% in FSB benefits paid, average benefits paid declined by 13.4% in California, 44.3% in New York, 57.2% in Pennsylvania and 6.8% in Washington.* The results of this section show that the impact of PL 95-19 on the real benefits received by FSB recipients often tended to be smaller than that which might have been anticipated by the provisions of the law.

*These percentages are calculated as follows: % change = calculated impact - average mean in pre-period x 100/average mean in pre-period.

VII EXHAUSTION OF FSB BENEFITS

Introduction

One consequence of PL 95-19 is that the percentage of individuals who exhaust benefits is likely to increase because the individual will have a shorter period of time during which to draw benefits. In this section, the characteristics of FSB exhaustees and the impact of PL 95-19 on the probability that the individual will exhaust benefits are evaluated.

Characteristics of FSB Exhaustees

In Table 11 the percent of recipients in the 5% sample who exhausted FSB benefits is shown. Table 12 shows how the exhaustees are distributed by characteristics and also permits an evaluation of whether there have been shifts in the distribution between FSB exhaustees and regular UI recipients. Because these comparisons are available elsewhere (Felder and West, 1978; Felder, 1978) this type of comparison will not be made here. Instead, the total benefits paid to FSB exhaustees in the periods before and after PL 95-19, are examined. The total benefits paid are shown in Table 13. A comparison of Table 13 with Table 9 shows that the average benefits paid to the exhaustees were substantially higher than the average benefits paid to all FSB recipients. The difference in benefits paid to exhaustees during the pre-PL 95-19 period, ranges from $161 in New York to $363 in California. In the period after the law, the difference ranges from $239 in New York to $296 in Pennsylvania. These figures indicate that the average FSB exhaustee does not receive much more in benefits than does the average FSB recipient.

Table 11

PERCENT EXHAUSTING FSB BENEFITS, BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	42.9%	40.3%	60.5%	52.9%	25.0%	48.9%	9.6%	41.9%
Male	44.7	40.5	59.2	51.8	23.7	45.7	9.0	42.9
Female	40.5	40.2	62.5	54.3	27.1	53.4	10.2	40.7
White	44.1	38.6	60.5	52.1	N/A	N/A	7.4	41.9
Male	44.9	37.4	58.8	50.1	N/A	N/A	6.1	42.5
Female	43.2	40.0	62.6	54.2	N/A	N/A	8.6	41.2
Nonwhite	33.7	43.2	60.3	56.1	N/A	N/A	17.5	41.9
Male	36.9	45.2	59.8	57.0	N/A	N/A	16.9	44.1
Female	29.9	40.8	61.3	54.9	N/A	N/A	18.4	37.5
Age Group								
16-21	38.4	30.6	55.4	39.8	5.3	34.2	10.2	26.9
22-43	41.3	38.5	57.4	50.5	21.6	45.7	7.9	42.5
44-63	40.5	40.5	65.8	55.1	32.8	53.1	12.6	45.7
64+	61.4	55.2	64.5	74.5	22.2	57.2	12.5	46.9

N/A = Information not available.

Table 12

DEMOGRAPHIC CHARACTERISTICS OF EXHAUSTEES,
BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Male	59.0	53.6	57.0	52.9	59.0	55.0	48.9	53.5
Female	41.0	46.4	43.0	47.1	41.0	45.0	51.1	46.5
White	72.0	67.6	77.6	74.9	N/A	N/A	60.0	81.2
Male	56.2	51.1	54.9	50.6	N/A	N/A	40.7	49.8
Female	43.8	48.9	45.1	49.4	N/A	N/A	59.3	44.5
Nonwhite	28.0	32.4	22.4	25.1	N/A	N/A	40.0	18.8
Male	60.0	58.3	64.0	60.0	N/A	N/A	61.1	69.4
Female	40.0	41.7	36.0	40.0	N/A	N/A	38.9	30.6
Age Group								
16-21	2.8	3.1	9.1	8.7	-	4.1	13.3	6.9
22-43	44.6	42.0	46.1	47.9	42.1	46.2	46.7	58.5
44-63	38.3	44.8	34.3	29.4	44.1	34.5	33.3	28.8
64+	14.4	10.2	10.6	14.0	13.2	15.2	6.7	5.8

N/A = Information not available.

- = Number of individuals in category less than 5.

Table 13

AVERAGE TOTAL FSB BENEFITS RECEIVED BY EXHAUSTEES, BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	$1,582	$819	$1,893	$ 954	$2,022	$1,117	$1,053	$807
Male	1,726	894	2,068	1,028	2,372	1,286	1,083	847
Female	1,376	732	1,661	870	1,518	912	1,025	762
White	1,610	871	1,894	956	N/A	N/A	1,063	831
Male	1,747	972	2,093	1,048	N/A	N/A	1,057	898
Female	1,434	766	1,652	862	N/A	N/A	1,067	766
Nonwhite	1,401	769	1,895	946	N/A	N/A	1,038	704
Male	1,561	826	1,997	978	N/A	N/A	1,109	690
Female	1,161	689	1,715	898	N/A	N/A	927	735
Age Group								
16-21	928	538	1,501	777	2,054	901	788	552
22-43	1,507	785	1,969	997	2,050	1,125	1,038	815
44-63	1,652	836	1,963	972	2,046	1,122	1,161	824
64+	1,756	966	1,673	877	1,846	1,141	1,154	951

N/A = Information not available.

In New York, and Pennsylvania, FSB benefits were exhausted after 26 weeks, but the number of weeks it took to exhaust benefits varied in California and Washington. Table 14 shows the average length of elapsed time that it took individuals to exhaust benefits. This table shows that for most exhaustees benefits were received every week until they were exhausted. It is not surprising that in the States with uniform benefit duration the average number of weeks that it takes to exhaust benefits is longer than it is in States with varying benefit duration. The table also shows that for recipients in variable duration States, the mean value of the number of weeks to exhaustion, can vary by a large percentage. Therefore, any discussion of FSB or UI exhaustees as long-term unemployed must account for the length of time over which the individual receives benefits.

Impact of PL 95-19 on the Probability of Exhausting Benefits

In Table 11 was shown the percent of individuals who exhausted benefits in the periods before and after PL 95-19. A somewhat surprising result is that the percent who exhausted in the pre- and post-PL 95-19 periods are very similar, and in many instances a greater percentage of individuals exhaust benefits in the period before PL 95-19 than after PL 95-19.* The table also shows that there are many differences across demographic characteristics in the percent who exhaust.

Because of the way that the sample was selected only those in the pre-PL 95-19 period who had at least 13 weeks of benefits were observed. They were more likely to exhaust benefits than a group that included all recipients. Additionally, other factors may have affected the likelihood that the individual would exhaust benefits. For this reason, multivariate

*Part of the differences in the exhaustion rates in the pre-PL 95-19 and post-PL 95-19 periods are due to the way the sample was selected.

Table 14

AVERAGE NUMBER OF WEEKS TO EXHAUSTION
BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	24.5	11.7	27.6	13.7	26.9	13.4	9.5	7.5
Male	24.7	11.3	27.7	13.6	27.2	13.5	10.5	7.1
Female	24.2	12.2	27.5	13.8	26.4	13.3	8.5	8.0
White	25.0	11.8	27.6	13.7	N/A	N/A	10.3	7.8
Male	25.1	11.5	27.8	13.7	N/A	N/A	12.5	7.5
Female	24.8	12.1	27.4	13.8	N/A	N/A	8.8	8.1
Nonwhite	23.4	11.9	27.7	13.6	N/A	N/A	8.4	6.2
Male	23.9	11.1	27.7	13.4	N/A	N/A	8.5	5.9
Female	22.6	13.1	27.7	13.8	N/A	N/A	8.0	6.9
Age Group								
16-21	21.4	11.4	28.0	13.9	26.5	13.6	8.3	6.9
22-43	24.3	11.3	27.9	13.7	26.8	13.3	8.1	7.4
44-63	24.7	12.1	27.4	13.7	26.8	13.3	9.6	7.8
64+	25.1	12.0	26.8	13.6	27.3	13.7	21.3	8.3

N/A = Information not available.

regression techniques were used to determine the impact of PL 95-19 on the likelihood that the individual would exhaust benefits. Some of the major findings are as follows:

- When the length of time that the individual is observed is taken into account, the likelihood of exhausting benefits decreases in three of the four States in the study. In California there was a 4.9% increase in the likelihood that individuals will exhaust benefits. In New York there was a reduction of 8.1%, in Pennsylvania there was in increase of 22.5%, and in Washington exhaustions increased by 14.2%.
- Males and whites tend to exhaust benefits at a lower rate than females and nonwhites. This is consistent with males and whites becoming employed sooner. There are also significant differences in the likelihood of exhausting benefits by age groups, occupations, and industries with the most consistent pattern being that older age groups are more likely to exhaust benefits.

The finding that PL 95-19 increases the likelihood of exhausting benefits in three of the four States may be due to the sample selection procedure, the model used to estimate the relationship, or because there were real increases in the exhaustion rates. The earlier finding that real benefits declined lends support to the hypothesis that sample selection differences prevent a more concise evaluation of the true differences in exhaustion rates between the two periods.

Predicted Probability of Exhausting Benefits

The multivariate regression results permit an evaluation of the impact of PL 95-19 on the likelihood of exhausting benefits. However, this procedure does not permit an adequate assessment of the probability of exhausting benefits of specific groups in the sample. A more useful statistical technique that estimates the log of the odds of becoming disqualified (see Appendix B) is used here to determine the probability that the individual will exhaust FSB benefits. This procedure accounts for differences in the WBA, the age, and other characteristics of the individual.

In Table 15, the predicted probabilities of exhausting benefits in the periods before and after the law are shown. These probabilities are predicted for a variety of demographic characteristics and for WBA.* The tables indicate that across the States there is wide variation in the predicted probabilities of exhausting benefits in the period before PL 95-19. In California, the probability of exhausting is .407 and this may be interpreted to mean that 40.7% of all California FSB recipients exhausted benefits before PL 95-19. After the law, the probability of exhausting dropped slightly to .403; that is, 40.3% exhausted benefits after PL 95-19 went into effect. In New York, the pre-PL 95-19 exhaustion probability was much higher--.611, or 61.1% who exhausted benefits. After PL 95-19, the probability dropped to .532, 53.2% exhausting benefits. The comparable figures in Pennsylvania were 22.0% before the law and 48.8% after the law. In Washington, the percentage of exhaustions went from 14.2% to 41.8%.

The results show that in the post-PL 95-19 period those over 54 years old are more likely to exhaust benefits than any other age group. In all States, except Washington, over 50% of all workers over 54 exhausted FSB payments. In New York, over 77% of those over 64 exhausted FSB. The older unemployed worker often finds it more difficult to find employment than younger workers. Employers may be more reluctant to hire the older worker because they often fear that such a worker will be less productive or that they will not as easily recover any training investments made in an older worker. By contrast, the youngest workers are those who are least likely to continue receiving FSB until benefits are exhausted. Other demographic patterns, such as by race and sex, show no major differences in the exhaustion probabilities with a given State.

---

*The WBA varied across States and in each State across time periods. Accordingly, the ranges of the WBA are: (1) from $1 through 50; (2) $51 through 70; (3) $71 through the maximum WBA less $1; and (4) the maximum WBA available.

Table 15

PREDICTED PROBABILITY OF EXHAUSTING BENEFITS, BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	.407	.403	.611	.532	.220	.488	.142	.418
Male	.422	.397	.605	.516	.220	.457	.121	.425
Female	.390	.409	.618	.550	.220	.533	.173	.410
White	.424	.354	.609	.516	--	--	.116	.423
Male	.439	.378	.604	.500	--	--	.098	.430
Female	.407	.390	.616	.535	--	--	.142	.415
Nonwhite	.371	.455	.617	.583	--	--	.245	.394
Male	.386	.449	.611	.568	--	--	.212	.401
Female	.355	.461	.624	.601	--	--	.290	.386
Age Group								
16-21	.377	.266	.553	.407	.082	.389	.091	.289
22-34	.393	.380	.565	.487	.197	.441	.111	.407
35-44	.366	.380	.598	.539	.213	.474	.237	.556
45-54	.392	.381	.651	.555	.292	.521	.265	.475
55-64	.441	.517	.695	.571	.288	.552	.189	.416
Over 64	.572	.577	.643	.775	.210	.588	.288	.516
WBA ($)								
01 through 50	.433	.395	.589	.472	.305	.383	.309	.372
51 through 70	.394	.392	.614	.538	.282	.506	.138	.425
71 through Max-1	.414	.442	.652	.546	.252	.512	.180	.427
At Maximum	.327	.378	.598	.553	.148	.510	.000	.420

Summary

PL 95-19 had a mixed impact on the likelihood that individuals would exhaust benefits. In California, Pennsylvania, and Washington, benefit exhaustion increased, but there was a decrease in New York. The probability of exhausting benefits is a measure of the continued need for some financial assistance by exhaustees. The analysis of this section shows that over 40% of all post-PL 95-19 FSB recipients exhaust benefits. This exhaustion pattern was fairly uniform across most demographic groups, but older FSB recipients were much more likely to exhaust benefits than were younger age groups.

VIII DISQUALIFICATION FROM BENEFITS

Introduction

Perhaps the most wide ranging change in the FSB program brought about by PL 95-19 concerned disqualification from benefits. Prior to the enactment of PL 95-19 disqualification provisions, as well as search and eligibility requirements, for the most part were defined by State law. The State UI systems varied in their requirements for active search, for job acceptance criteria, and in the penalties they attached to disqualifying acts. For example, under the provisions of most UI systems, the penalty attached to not actively seeking work was benefit denial only for the week or weeks in which the claimant was not active in job search.*

PL 95-19 set Federal standards as they pertain to FSB recipients. As discussed earlier, the law required:

(1) Proof of active search by those without good job prospects.

(2) The acceptance of any wage offer that was made in writing and posted with the employment service as long as that offer equalled or exceeded the minimum wage or the equivalent weekly earnings of the WBA.

(3) The disqualification from benefits for the duration of that spell of unemployment for those who do not satisfy conditions (1) or (2) above.

(4) That the disqualification could only be removed if the individual returned to work for at least four weeks and earned at least four times his or her average WBA.

As a result of these provisions, it is expected that there will be increases in the percent of individuals who are disqualified. Increases in disqualification are likely to occur for three reasons. First, the worker may not lower his or her reservation wage to the level required by PL 95-19. The individual who accepts a wage offer that is less than his or her reservation wage may, temporarily, forfeit the opportunity to accept a higher wage. As the opportunity cost of accepting a lower wage offer than the

---

*These provisions still exist as part of the regular UI eligibility and disqualification statutes.

reservation wage exceeds the expected gain from further search, the worker will tend to reject the wage offer. Secondly, workers who previously were not required to submit proof of active search may choose not to submit the required documentation. This is likely to be true most frequently among those unemployed workers who are doing the least amount of actual job search. Lastly, increased review of claimant eligibility by the States is likely to lead to increases in the number of individuals who are determined to be ineligible.

In this section, the impact of PL 95-19 on various aspects of disqualification from benefits is evaluated. The disqualifications that are of interest are: refusal of suitable work (RSW) under State or Federal provisions and not actively seeking work (NASW). Differences across demographic characteristics in the likelihood that the individual will become disqualified is also evaluated. Multivariate regression analysis is used to explain the following dependent variables:

- The likelihood of becoming disqualified
- The likelihood of appealing an unfavorable decision to a referee.

The 5% sample is used to determine the likelihood of becoming disqualified while the enlarged disqualification sample is used to determine the likelihood of an appeal.

Characteristics of the Disqualified

The number of FSB recipients who were disqualfied for either NASW or RSW was relatively small, but varied widely across the four States. The percent of all disqualifications by demographic characteristics is shown in Table 16. The percentages of NASW and RSW are shown in Tables 17 and 18, respectively. In the period before PL 95-19 there were only 3 disqualifications for every 1,000 claimants in California. These increased to 23 per 1,000 in the post-PL 95-19 period. In New York, there were 5 disqualifications per 1,000 claimants before and 62 per 1,000 claimants after PL 95-19. In Pennsylvania, there were 3 and 14

Table 16

PERCENT DISQUALIFIED BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	0.3%	2.3%	0.5%	6.2%	0.3%	1.4%	5.5%	14.2%
Male	0.3	2.3	0.5	5.7	0.1	1.2	5.7	12.0
Female	0.2	2.3	0.5	6.8	0.6	1.5	5.3	16.5
White	0.3	2.3	0.5	6.8	N/A	N/A	6.0	14.1
Male	0.2	1.9	0.5	6.3	N/A	N/A	6.1	11.7
Female	0.5	2.7	0.6	7.3	N/A	N/A	5.9	16.3
Nonwhite	0.4	2.3	0.5	4.6	N/A	N/A	3.9	14.5
Male	0.7	2.8	0.8	4.1	N/A	N/A	4.6	13.0
Female	0	1.7	0	5.5	N/A	N/A	2.6	17.5
Age Group								
16-21	0	5.0	0	5.5	0	1.4	5.1	17.9
22-43	0.2	2.4	0.6	6.3	0.3	1.1	4.9	13.7
44-63	0.4	1.9	0.8	6.5	0.2	1.3	5.9	13.4
64+	0.4	2.7	0	6.4	0.5	2.5	12.5	15.6

N/A = Information not available.

Table 17

PERCENT OF TOTAL SAMPLE DISQUALIFIED FOR NASW BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	0.2	1.5	0.2	5.4	0.1	1.1	3.0	9.0
Male	0.3	1.3	0.3	4.8	0	1.0	2.9	8.0
Female	0.1	1.8	0.1	6.0	0.1	1.3	3.1	10.1
White	0.2	1.3	0.2	5.8	N/A	N/A	3.3	8.5
Male	0.2	0.7	0.3	5.3	N/A	N/A	2.8	9.3
Female	0.2	2.0	0.1	6.4	N/A	N/A	3.7	7.7
Nonwhite	0.3	1.7	0.2	3.9	N/A	N/A	1.9	11.1
Male	0.5	1.6	0.3	3.3	N/A	N/A	3.1	9.1
Female	0	1.7	0	4.8	N/A	N/A	0	15.0
Age Group								
16-21	0	1.7	0	4.9	0	0.7	5.1	14.9
22-43	0.2	1.4	0.2	5.3	0.1	0.8	1.9	8.9
44-63	0.2	1.4	0.4	5.9	0	1.1	3.4	6.1
64+	0.4	2.2	0	5.0	0	2.5	8.3	12.5

N/A = Information not available.

Table 18

PERCENT OF TOTAL SAMPLE DISQUALIFIED FOR RSW BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	0.1	0.8	0.1	0.3	0.2	0.2	2.5	5.2
Male	0.1	1.0	0.1	0.3	0.1	0.2	2.9	4.0
Female	0.2	0.5	0.1	0.2	0.4	0.3	2.2	6.4
White	0.1	0.9	0.1	0.3	N/A	N/A	2.7	5.6
Male	0	1.1	0.1	0.4	N/A	N/A	3.4	4.0
Female	0.3	0.7	0.1	0.3	N/A	N/A	2.1	7.0
Nonwhite	0.1	0.6	0	0.3	N/A	N/A	1.9	3.4
Male	0.2	1.1	0	0	N/A	N/A	1.5	3.9
Female	0	0	0	0.7	N/A	N/A	2.6	2.5
Age Group								
16-21	0	3.3	0	0.3	0	0.7	0	3.0
22-43	0.1	0.9	0.2	0.4	0.1	0.3	3.0	4.7
44-63	0.2	0.5	0	0.2	0.2	0.1	2.5	7.3
64+	0	0.4	0	0	0.5	0	4.2	3.1

N/A = Information not available.

per 1,000 in the two periods, while in Washington there were 55 and 142 per 1,000 in the two periods before and after PL 95-19.

The tables indicate that disqualifications increased substantially after PL 95-19 was implemented. In Washington, one claimant in seven was disqualified after the law. In Pennsylvania, by contrast, disqualifications were few. When the disqualifications are separated by NASW and RSW, it becomes clear that recipients are much more likely to be disqualified for NASW than RSW. This is due, in part, to the small number of job offers that are made to FSB recipients.

The distribution of the disqualified by demographic characteristics is shown in Table 19. The usefulness of the table is reduced because of the small number of observations in several cells. The tables do indicate that in the post-PL 95-19 period among whites, females are more likely than males to become disqualified, but among nonwhites males are more likely to become disqualified. To obtain a more extensive evaluation of the likelihood of becoming disqualified multivariate regression techniques are used.

Impact of PL 95-19 on the Probability of Becoming Disqualified

Mulitvariate regression analysis is used to estimate the probability that the individual would be disqualified. The estimated effects are shown in Table 20.

It is clear from this table that PL 95-19 significantly increased the probability of being disqualified in three of the four States. In the case of New York, the probability of being disqualified increased by more than 400% relative to the pre-PL 95-19 period. The impact of the law acted differentially across various demographic characteristics and these will be examined separately.

Appeals of a Disqualification Decision

Increases in disqualifications can be expected to lead to increased claimant dissatisfaction with the decision. Because the FSB rules in the post-PL 95-19 period were so different from the prevailing rules for

Table 19

DISTRIBUTION OF THE DISQUALIFIED, BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Male	62.5	52.9	61.5	49.7	-	52.9	53.8	44.3
Female	37.5	47.1	38.5	50.3	-	47.1	46.2	55.7
White	62.5	69.5	76.9	82.4	N/A	N/A	84.6	80.7
Male	-	43.9	50.0	49.0	N/A	N/A	50.0	40.8
Female	-	56.1	50.0	51.0	N/A	N/A	50.0	59.2
Nonwhite	37.5	30.5	-	17.6	N/A	N/A	15.4	19.3
Male	-	66.7	-	51.6	N/A	N/A	-	58.8
Female	-	33.3	-	48.4	N/A	N/A	-	41.2
Age Group								
16-21	0	8.8	0	10.2	-	5.9	11.5	13.6
22-43	37.5	45.6	53.8	50.3	-	41.2	50.0	55.7
44-63	50.0	36.8	46.2	29.4	-	29.4	26.9	25.0
64+	12.5	8.8	0	10.2	-	23.5	11.5	5.7

- Indicates fewer than five individuals in category.

N/A = Information not available.

Table 20

PARAMETER ESTIMATES OF THE PROBABILITY OF BECOMING DISQUALIFIED

State	Percent Disqualified-Pre	Estimated Change-Post	Predicted Disqualified-Post*
California	0.3%	1.0%	1.3%
New York	0.5	2.1	2.6
Pennsylvania	0.3	.6	.9
Washington	5.5	10.3	15.8

*Using OLS results.

regular UI and EB, recipients may also feel that the rules are not being interpreted properly. This would lead to increased appeals.

In Table 21 the percent of appeals in the disqualified sample for the pre and post periods is shown. This table indicates that there are large differences in the appeal activity across the States but few differences within each State. For example, in California, 9.5% of all the disqualified appealed to the referee in the pre-PL 95-19 period while 7.6% appealed to the referee in the post-PL 95-19 period. The pecentages for the other States show similar patterns. Multivariate regression analysis reveals that only in Washington was there a significant increase in the likelihood of an appeal to the referee. The appeals to the appeal board were so small that further analysis would prove useless.

Whether the recipient received a favorable decision also varied considerably across the States. Before PL 95-19, California, New York and Pennsylvania had very low percentages of disqualification reversals--that is, favorable decisions for the claimants. In Washington, the percent of favorable decisions was very high, 60%. After PL 95-19, favorable appeal decisions increased slightly in New York, and very dramatically in California and Pennsylvania. In Washington, however, there was a sharp reduction in the percent of favorable decisions, a sharp contrast to the experiences of the other States.

Table 21

DISQUALIFIED SAMPLE
APPEAL ACTIVITY BY STATE AND TIME PERIOD

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total Disqualified	158	1,234	106	587	49	378	228	830
Percent NASW	60.1%	65.3%	73.6%	79.9%	26.5%	73.8%	61.0%	48.6%
Percent RSW	39.9	34.7	26.4	20.1	73.5	26.2	39.0	51.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Referee Appeals	15	94	35	189	10	78	27	127
Percent of Total	9.5%	7.6%	33.3%	32.3%	20.4%	20.6%	11.8%	15.3%
Referee Decision								
Unfavorable	93.3%	83.5%	97.1%	94.5%	90.0%	71.6%	40.0%	67.5%
Favorable	6.7	16.5	2.9	4.9	10.0	28.4	60.0	32.5
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Appealed to Board	1	8	6	30	3	9	0	9
Percent of All Appeals to a Referee	6.7%	8.5%	17.1%	15.9%	30.0%	11.5%	-	7.1%
Percent of Unfavorable Referee Decisions	7.1%	11.3%	18.2%	17.4%	33.3%	17.0%	-	11.7%

These results suggest that appeals are more a function of the administrative structure of the State than the characteristics of the claimant. Because the variance across the States is so large, few conclusions can be made about the impact of PL 95-19 on the likelihood of appeal.

Predicted Probability of Becoming Disqualified

The predicted probabilities of becoming disqualified in the post-PL 95-19 period are shown in Table 22. The procedure used to estimate the probabilities are the log of the odds estimation (see Appendix B). Because of the extremely small proportion of disqualification in the pre-PL 95-19 period, it was not possible to predict the probabilities for those in that period.

The likelihood of becoming disqualified in the post-PL 95-19 period is very small in three of the four States. In Pennsylvania, the overall probability of becoming disqualified is .012; that is, the model predicts that only 1.2% of all FSB recipients will be disqualified. The disqualification likelihood varies only slightly by race and sex in the States--nonwhites are less likely to be disqualified in California and New York but are more likely to be disqualified in Washington. In addition, the results show no consistent pattern by age or by the value of the WBA. From these results it is concluded that the incidence of disqualification is fairly random across demographic characteristics.

Summary

PL 95-19 significantly increased the probability that individuals would be disqualified from receiving FSB benefits in three of the four States in the study. Very few of these individuals who were disqualified appealed the disqualification decision, and when they did the disqualification was usually upheld. However, the number of individuals involved in the disqualification provisions was a very small fraction of all FSB recipients in all States except Washington where more than 14% of all recipients were disqualified. The disqualifications were uniformly distributed across all groups in the sample.

Table 22

PREDICTED PROBABILITY OF BECOMING DISQUALIFIED IN POST PERIOD BY STATE*

	California	New York	Pennsylvania	Washington
Total	.019	.059	.012	.126
Male	.018	.055	.012	.122
Female	.021	.065	.013	.131
White	.020	.064	--	.121
Male	.019	.060	--	.116
Female	.022	.070	--	.125
Nonwhite	.018	.045	--	.154
Male	.017	.042	--	.149
Female	.019	.049	--	.160
Age Group				
16-21	.052	.051	.008	.127
22-34	.019	.060	.012	.116
35-44	.014	.064	.010	.128
45-54	.032	.058	.011	.108
55-64	.015	.065	.015	.167
Over 64	.021	.056	.023	.189
WBA ($)				
01-50	.013	.053	.014	.182
51-75	.025	.070	.013	.151
76-(Max-1)	.028	.046	.012	.132
At Maximum	.012	.064	.011	.084

*Predicted using logit specification.

IX THE ES PROCESS AND FSB RECIPIENTS

Introduction

Recipients of unemployment insurance who are not in a training program are expected to search actively and seriously for new employment unless it is clear that the unemployment status is temporary and a future employment opportunity can be identified. As discussed elsewhere in this report, failure to search aggressively for employment or the refusal of suitable work opportunities are grounds for disqualification.

PL 95-19 changed the job search environment for FSB recipients in three essential ways. First, and most obviously, it changed the maximum time period over which FSB recipients' job search efforts enjoy the support of FSB payments; namely, the maximum entitlement was reduced from 26 to 13 weeks. Second, the law specifically redefined "suitable work" to suggest that the greater of the WBA or earnings at the minimum wage should serve as the earnings dimension of the suitable work definition. A third provision altered the "customary occupation" dimension of suitable work. PL 95-19 requires FSB claimants to accept any work that is within their capabilities in addition to work in their customary occupation.

These modifications in FSB regulations are likely to influence the job search process. The reduction in the length of the period of entitlement, of course, directly affects the cost of job search. The modifications made in the definition of suitable work influence job search only to the extent that individuals perceive that the regulations significantly increase their risk of disqualification. This perception depends on whether the job search strategy pursued by the claimant differs from that suggested by the regulations and whether the State employment security agencies found it necessary to modify their claimant review procedures. If the risk of disqualification was, in fact, increased by the law, claimants may be expected to respond by changing the rate at

which they utilize referral and placement services (such as ES), and by seeking and accepting jobs with different wage and occupational attributes.

The purpose of this section of the report is to identify the impact of the essential provisions of PL 95-19 on the job search process as evidenced by the claimant's ES records.

Anticipated Impacts of PL 95-19

Many models of the job search strategy of unemployed workers have been developed in recent years. Although a review of these models is inappropriate here, most implications of the models regarding the expected impact of FSB provisions on the duration of spells of unemployment and the level of postunemployment wages are straightforward. The provisions of PL 95-19 regarding the decrease in the length of the period of entitlement and the potential increase in the risk of disqualification have the effect of increasing the cost of being unemployed. The increase in the cost of unemployment will tend to decrease the duration of the spell of unemployment and decrease the expected postunemployment wage.

In addition, the increased cost of unemployment should increase claimants' demands for employment referral and placement services. That is, increased contact with the Employment Service and more intense utilization of their services as the result of PL 95-19 is anticipated. The provisions regarding the definition of suitable work can be expected to raise the opportunity cost of rejecting a job offer outside the claimant's customary occupation and to lower the claimant's reservation wage.

In the context of the impact of PL 95-19, then, a series of testable hypotheses emerge concerning the comparative experience of claimants affected by PL 95-19 with those unaffected by it:

Hypothesis 1: PL 95-19 should decrease the observed duration of unemployment.

Hypothesis 2: PL 95-19 should decrease the postunemployment wage.

Hypothesis 3: PL 95-19 should increase the proportion of FSB claimants actively utilizing the ES.

Hypothesis 4: PL 95-19 should increase the rate at which individuals obtain referrals to job prospects.

Hypothesis 5: PL 95-19 should reduce the average wage offer associated with referrals.

Hypothesis 6: PL 95-19 should increase the proportion of claimants accepting placements outside their customary occupation.

The analyses that follow represent a test of these hypotheses concerning job search and the impact of PL 95-19. To a large extent, the analyses support the hypotheses put forth above, but certain inherent characteristics of the data base limit the strength of statements that can be made concerning the impact of PL 95-19 on FSB recipients' job search activities. These limitations are discussed briefly in the section that follows.

Data Base Issues and Selection of the Analysis Sample

The 5% sample of FSB claimants with the associated ESARS and UI data is the basic source of data for use in the job search analyses. However, there are several limitations to the 5% sample in an investigation of PL 95-19's impact on the job search process (See Chapter V). Therefore, the cohort subset of the sample rather than the 5% sample is used in most of the regression analyses. As detailed in Chapter V, the cohorts consist of individuals who filed their first FSB claim during the month of February 1977 and individuals who filed their first FSB claim in May 1977. The February group is the earliest pre PL 95-19 set of claimants that can be used as a cohort; while the 5% sample contains data on some individuals who filed prior to February 1977, it does not permit construction of cohorts of earlier claimants since only those who filed a claim in the later period (February 1977 to August 1977) are represented. The group of May 1977 claimants represents a post-PL 95-19 cohort for an analysis.

The advantage of the use of the February and May data (as opposed to the 5% sample) is twofold. First, use of the February and May groups avoids the sample selection problem discussed previously. Second, the February and May time periods are in close enough proximity to reduce

the problem of heterogeneity of the pre and post groups that the passage of time may generate. Third, the sample truncation problem (i.e. the fact that no claimant activity is observed after August 1977) is reduced somewhat because the comparison groups are more nearly adjacent in time, although other procedures must still be employed to deal with this attribute of the data.

The limitation in using the February and May groups as the basis of the impact analysis is, of course, that some claimants in the pre (February) group may have felt the influence of PL 95-19 prior to exhaustion of their benefits. However, this problem was seen as less significant than the very serious issues related to sample selection that were discussed above. Thus, although the 5% sample is useful as a source of descriptive data, the February and May cohorts are employed in much of the ES impact analysis.

Description of the ES Sample

Although FSB recipients are required to search actively for work, not all claimants use the State ES in their job search process. Even those who register with the ES may not exploit its referral and placement service in an active fashion. Therefore, the ESARS sample obtained for this research consists of those individuals who had registered with the ES and had a history of utilization of their services; specifically, only those claimants with ES records involving referrals, job order placements, training of public service employment transactions were considered to be actively utilizing the ES. Table 23 lists the selected transactions in detail. This does not mean that only this percentage had these transactions. Others may have utilized the job bank books or have used other services of the ES.

With this selection criterion, ESARS records were obtained for approximately 15% of the FSB claimants in the 5%* random sample.

---

*The 5% sample is used because the small size of the cohort samples makes comparisons on the basis of some characteristics (such as occupation) difficult.

Table 23

ES TRANSACTIONS THAT DEFINE ACTIVE ES UTILIZATION

REFERRALS	
242	Referred to job over 150 days
252	Referred to job 4-150 days
262	Referred to job 3 days or less
TRAINING	
301	Comprehensive Employment Training Act Inst.
302	Job Corps
303	Other C
304	Other D
390	Failed to report - negative training referral result
JOB ORDER	
750	Placement, local, individual, over 150 days
752	Placement, clearance, individual, over 150 days
754	Placement, interstate, individual, over 150 days
756	Placement, interstate, local, individual, over 150 days
760	Placement, local, individual, 4-150 days
762	Placement, clearance, individual, 4-150 days
764	Placement, interstate, individual, 4-150 days
766	Placement, interstate, local, individual, 4-150 days
770	Placement, local, individual, 3 days or less
772	Placement, clearance, individual, 3 days or less
774	Placement, interstate, individual, 3 days or less
776	Placement, interstate, local, individual, 3 days or less

Source: ESARS Handbook, Chapter VI, p. 311-6.

Comparing the claimants with ESARS records with those lacking ESARS records, a picture of the active users of the ES emerges. Compared to those without substantive ESARS records, the active ES users are likely to be younger, and more likely to be white and male. In addition, they have lower UI weekly benefit amounts and FSB entitlements. They tend to be more heavily drawn from clerical and processing industry occupations and less so from the professional occupations. These differences are significant statistically and are reasonably consistent across the various States. However, additional differences appear in particular States. Table 24 presents the comparisons of means of the variables describing claimant attributes.

The characteristics of those with ESARS records are presented in detail in Table 25, which indicates the distribution of claimants by race, sex, and age group. The characteristics of those in the sample with first FSB claim dates after May 1, 1977 are presented for comparison with others in the 5% sample, although the differences between these two groups are generally not significant statistically, and the sample selection and truncation programs distort these comparisons in an unknown way.

The ESARS data obtained for this research contained information concerning the referral and placement history of the claimants. Tables 26 through 29 provide some basic descriptive statistics concerning the referral and placement experience of those FSB recipients with ESARS data.

The data suggest that, in general, the number of referrals received by individuals during their FSB claim period was quite small. Of those who received referrals, most received one or two referrals, as indicated in Table 26,* with the largest percentage of referrals in the long-term (over 150 days) category. The average pay of all referrals is presented in Table 27, distributed by race, sex, and age. Comparing the simple averages of the post-PL 95-19 group with others in the sample, no

---

*It should be noted that this referral figure excludes referrals to supportive services such as rehabilitation, job development contacts, and others so designated by the ES office.

Table 24

COMPARISON OF THE MEANS OF FSB CLAIMANT VARIABLES
FOR THOSE WITH AND WITHOUT ESARS DATA (5% SAMPLE)

	California		New York		Pennsylvania		Washington	
	ES	Non-ES	ES	Non-ES	ES	Non-ES	ES	Non-ES
Age (yr)	38.4	42.5	34.4	40.8	36.5	42.9	32.9	37.3
Male (%)	58.6	54.1	59.4	46.4	64.0	60.6	51.4	51.8
White (%)	64.2	69.4	67.4	78.4	N/A	N/A	76.7	77.8
UI WBA ($)	65.8	68.1	70.4	72.9	78.9	84.7	75.4	75.9
FSB Entit. ($)	1070.1	1095.0	1490.1	1441.3	1489.6	1497.0	904.2	936.1
Base Earnings ($)	N/A	N/A	5952.2	6394.2	5745.4	6701.4	N/A	N/A
Professional (%)	13.5	15.8	5.2	8.3	N/A	N/A	N/A	N/A
Clerical (%)	30.9	23.2	2.8	1.6	N/A	N/A	N/A	N/A
Service (%)	12.8	12.5	3.9	5.1	N/A	N/A	N/A	N/A
Farm (%)	2.8	2.7	19.0	20.0	N/A	N/A	N/A	N/A
Processing (%)	5.2	11.3	5.4	6.7	N/A	N/A	N/A	N/A
Machinery (%)	6.6	5.6	51.5	44.6	N/A	N/A	N/A	N/A
Benchwork (%)	8.1	7.5	0.7	0.4	N/A	N/A	N/A	N/A
Structural (%)	8.8	10.4	11.0	13.1	N/A	N/A	N/A	N/A
Misc. Occ. (%)	11.3	11.2	0.7	0.3	N/A	N/A	N/A	N/A

N/A = Information not available

Table 25

DISTRIBUTION OF THOSE WITH ES RECORDS BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Male	62.6	55.2	61.4	55.9	68.7	59.9	59.1	46.6
Female	37.4	44.8	38.6	44.1	31.3	40.1	40.9	53.4
White	60.6	66.9	67.9	66.7	N/A	N/A	76.4	76.8
Male	57.7	51.4	59.5	57.4	N/A	N/A	58.3	43.7
Female	42.3	48.6	40.5	42.6	N/A	N/A	41.7	56.3
Nonwhite	39.4	33.1	32.1	33.3	N/A	N/A	23.6	23.2
Male	65.1	61.2	65.6	52.7	N/A	N/A	61.5	56.4
Female	34.9	38.8	34.4	47.3	N/A	N/A	38.5	43.6
Age Group								
16-21	4.4	4.2	15.6	12.2	6.0	9.8	15.9	12.7
22-43	56.3	50.3	59.8	62.2	64.7	60.8	67.3	61.8
44-63	36.0	42.5	23.3	24.3	27.9	26.5	16.8	22.4
64+	3.3	3.0	1.3	-	-	2.9	-	-

N/A = Information not available.

- = Fewer than five persons in category.

Table 26

DISTRIBUTION OF REFERRALS AND PLACEMENTS
BY TYPE (5% SAMPLE)

	Long-term		Short-term		Temporary	
Number	Referrals	Placements	Referrals	Placements	Referrals	Placements
0	84.3%	94.95%	97.57%	98.9%	99.42%	99.54%
1	9.8	4.3	2.1	1.0	.4	.3
2	3.2	.6	.2	.1	.1	.0
3	1.2	.1	.1	.0	.0	.0
4	.6	.0	.0	.0	.0	.0
5	.3	.0	.0	.0	.0	.0
6	.2	.0	.0	.0	.0	.0
7	.1	.0	.0	.0	.0	.0
8	.1	.0	.0	.0	.0	.0
9	.0	.0	.0	.0	.0	.0
10+	.1	.0	.0	.0	.0	.0

Note: Column totals may not be 100% due to error introduced by rounding.

Table 27

AVERAGE PAY OF ALL REFERRALS, BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	$3.75	$3.65	$3.77	$4.08	$3.17	$3.35	$3.41	$3.39
Male	3.98	3.91	3.97	4.24	3.33	3.64	3.64	3.65
Female	3.37	3.34	3.46	3.89	2.82	2.92	3.06	3.16
White	3.92	3.68	3.83	4.18	N/A	N/A	3.36	3.49
Male	4.27	3.96	4.08	4.48	N/A	N/A	3.68	3.82
Female	3.44	3.40	3.47	3.79	N/A	N/A	2.90	3.23
Nonwhite	3.38	3.63	3.65	3.89	N/A	N/A	3.55	3.02
Male	3.51	3.92	3.76	3.73	N/A	N/A	3.52	3.17
Female	3.13	3.19	3.41	4.07	N/A	N/A	3.59	2.84
Age Group								
16-21	3.43	3.15	3.15	3.52	2.96	2.96	2.97	2.92
22-43	3.64	3.59	3.86	4.13	3.18	3.39	3.52	3.49
44-63	3.81	3.75	3.89	4.20	3.27	3.43	3.33	3.50
64+	5.29	3.60	4.84	-	-	3.12	-	2.79

N/A = Information not available.

- = Fewer than five persons in category.

Table 28

DISTRIBUTION OF REFERRAL RATES BY STATE, TIME PERIOD, AND TYPE OF REFERRAL

	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Long-term								
0	17.2%	12.8%	18.3%	9.9%	12.8%	9.5%	15.5%	16.4%
.1 - 0.99	80.1	74.9	81.2	85.7	87.2	86.6	81.0	65.5
1 - 1.99	1.7	9.5	-	4.5	0	3.4	-	14.7
2 +	1.0	2.9	0	0	0	0.4	0	3.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Short-term								
0	81.9	85.3	89.8	93.3	91.6	94.3	84.5	79.7
.1 - 0.99	16.2	12.6	10.2	6.7	8.4	5.3	15.5	16.9
1 - 1.99	1.7	1.9	0	0	0	0.4	0	3.4
2 +	-	-	0	0	0	0	0	0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Temporary								
0	94.6	97.3	98.2	98.2	98.7	99.2	94.8	97.7
.1 - 0.99	5.4	1.8	1.8	-	1.3	0.8	-	-
1 - 1.99	0	1.0	0	0	0	0	0	0
2 +	0	0	0	0	0	0	0	0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total								
0	4.0	2.6	10.7	3.6	4.0	3.8	-	-
.1 - 0.99	91.6	82.1	88.8	91.9	96.0	92.0	93.1	75.7
1 - 1.99	3.2	12.0	-	4.5	0	3.8	-	18.1
2 +	1.3	3.4	0	0	0	0.4	0	4.5
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

- = Fewer than five persons in category.

Table 29

PERCENT OF THOSE WITH ES RECORDS WITH PLACEMENTS, BY STATE, TIME PERIOD, AND DEMOGRAPHIC CHARACTERISTICS

	California*		New York		Pennsylvania*		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Total	44.1%	34.2%	46.3%	41.0%	44.1%	27.1%	19.1%	27.6%
Male	45.9	37.1	51.7	41.9	48.1	28.0	20.0	32.1
Female	41.2	30.5	37.8	39.8	35.2	25.7	17.8	23.7
White	42.0	30.7	42.4	37.2	N/A	N/A	19.1	27.4
Male	47.3	32.9	50.3	36.5	N/A	N/A	20.4	32.2
Female	34.7	28.4	30.8	38.1	N/A	N/A	17.1	23.7
Nonwhite	46.8	42.2	54.4	48.7	N/A	N/A	19.2	28.2
Male	44.6	43.7	53.7	53.9	N/A	N/A	18.8	31.8
Female	50.8	40.0	55.8	42.9	N/A	N/A	20.0	23.5
Age Group								
16-21	50.0	48.4	44.3	48.2	41.7	41.7	17.7	19.1
22-43	45.6	37.9	47.0	39.9	46.2	28.2	19.4	30.4
44-63	44.1	29.6	47.3	38.9	41.1	23.1	22.2	24.3
64+	23.8	13.6	20.0	-	-	0.0	0.0	0.0

* Differences between pre and post groups are statistically significant at .05 level.

NA = Information not available

- = Fewer than five persons in category.

statistically significant differences are obtained. Table 27 also indicates the difficulty of drawing inferences concerning the impact of the law from simple comparisons of means. Comparing the average pay of all referrals of the post-PL 95-19 group with others in the sample, no statistically significant differences are observed. However, since wage rates were generally rising during this period, the anticipated depressing impact of the law is offset by general increases in the wage level over time. More precise analyses (see below) are able to isolate these effects.

Impact of PL 95-19 on the Observed Duration of Unemployment

Economic theory suggests that prolonged receipt of unemployment benefits delays the return of claimants to work. PL 95-19, by shortening the weeks of entitlement, may reduce the incidence of prolonged unemployment.

The employment service files provide data that indicates the date at which the first FSB claim was filed and indicates the date of subsequent employment if the claimant was placed through the ES. If the claimant found a job independently of the services of the ES, no information concerning that placement is available; in fact, there are no data to indicate even the occurrence of a non-ES placement. It can be assumed that as long as the claimant continued to receive FSB payments that no acceptable employment had been found. However, once benefits are exhausted, the data fail to provide even indirect information concerning the employment status of the individual. If the individuals in the sample tend to find jobs immediately after exhausting benefits, the data is unable to reveal this behavior.

In this context, the impact of PL 95-19 on unemployment duration must rely upon the information contained in the ESARS data. Presumably, if PL 95-19 has any effect on the duration of unemployment, there should be higher probabilities of placement by the ES before benefits are exhausted. Not all individuals wait to exhaust their benefits before returning to work and the law should have the effect of increasing the likelihood of these preexhaustion placements. Focusing on preexhaustion

placements provides, unfortunately, only an incomplete picture of the impact of PL 95-19 on unemployment duration, but the available data do not permit a more extended analysis.

The analytical technique employed to address the duration of unemployment issues is known as "survival analysis." In the context of unemployment spell duration, the technique estimates the chances that a claimant will "survive" as a recipient of FSB without being placed by the ES. For individuals for whom no placement data exists, the last FSB claim date is used to define the point at which the data are censored, i.e., the point at which we lose contact with the claimant for the purposes of computing the length of the spell of unemployment.*

Using as comparison groups those who filed their first FSB claims during February 1977 and those who filed during May 1977, the survival analysis indicates that there is, indeed, an impact of PL 95-19 on duration of unemployment. Defining duration of unemployment as the time from the filing of the first FSB claim to the date of the first ES assisted placement, there is a statistically significant difference in the probability of surviving the unemployment spell without being placed for the two groups.

Table 30 compares the probabilities of the individuals remaining unemployed at various points in time after the filing of the first claim. The differences are small but indicate that the law's impact was (directionally) as anticipated; it appears to have reduced the length of the unemployment spell. A number of factors are at work to make our estimates of the impact conservative. The comparison groups (February and May first claimants) do not precisely represent a

---

*Survival analysis is employed extensively in biomedical and actuarial contexts, and computer packages exist for exploiting this technique. See, for example, J. Berkson and R. Gage, "Calculation of Survival Rates for Cancer," Proceedings of the Mayo Clinic, 25:270 (1950) and E. Gehan, "Statistical Methods for Survival Time Studies," in Cancer Therapy: Prognostic Factors and Criteria of Response (Raven Press, New York, 1975). The "censoring" of observations is typical in diagnostic studies, and the techniques developed treat the censored observations appropriately.

pre-PL 95-19 and post-PL 95-19 group. Many of those in the February claimant group had some understanding of the tenuousness of their benefit circumstances. Claimants filing late in February appear to have received written or verbal warnings from their UI offices that the program parameters were likely to change. However, the February and May groups are the cleanest cohorts in our sample and the proximity of these periods in time reduces the likelihood that changed macroeconomic circumstances are being observed.

The reduction in the length of the unemployment spell caused by PL 95-19 cannot be accurately discerned from the data. Regression analysis indicates that the May (post-law) group obtained first placements roughly 22.5 days sooner than the February (pre-law) group. However, these results are very imprecise statistically and measurement of the average time to first placement is truncated for the May group because the data file only records placements made before August 1977. Thus, the longer placements are never observed for this latter group. The truncation biases the analysis since it systematically eliminates the longer placement times.

Impact of PL 95-19 on Utilization of the ES

The effects of PL 95-19 on the job search process should be reflected in changes in the active utilization of the ES and its referral and placement functions by FSB claimants.

Defining "active utilization" of the ES to mean utilization of the referral and placement services, it is possible to analyze the effect of the law on the FSB claimants' tendency to use the ES as a job search device. As discussed previously, the law should affect both the tendency to use the ES at all and the rate at which its services are employed.

The February and May 1977 first claimant cohorts were used to study the impact of the law on simple ES utilization.* If an individual's

*The larger data base cannot be used here because of the truncation problem noted elsewhere in this report.

computer file contained a transaction in the category of a referral or placement, he or she was classified as an "ES user." The regression analysis indicates that the law increased the probability of an FSB recipient being an ES user.

Further evidence regarding this impact was obtained, however, by examining the rate at which FSB beneficiaries were referred by the ES. The "job referral rate" was defined as the number of referrals per week of FSB eligibility. It was found that the job referral rate for those individuals who filed claims after the implementation of PL 95-19 was higher in the various categories of jobs (long-term, short-term, and temporary). Table 31 presents the change in the referral rate associated with the law as well as the average referral rates for the February and May sample used. These results indicate that the law had its intended effect on job search activity and that individuals responded to it by seeking ES counseling regarding job referrals and placements.

Impact of PL 95-19 on Referral and Placement Wages

The theory of job search suggests that the changes made in the FSB regulations and procedures should reduce postunemployment wages. This result follows from the assumption that the PL 95-19 provisions increase the cost of unemployment, thereby making the alternative of somewhat lower wage employment relatively more attractive. That is, PL 95-19 is expected to lower reservation wages.

To isolate the wage effects of PL 95-19 from contemporaneous influences, the referral and placement wages were deflated using UI weekly benefit amounts as the deflator. This appeared to be the best solution to the problem of defining a "normal" wage that embodies the inflation component against which referral and placement wage offers may be compared. Although "most recent wage" or other base period wage measures would be preferable to UI weekly benefit amount, the data base does not contain this information in a usefully consistent fashion.

Using ordinary least squares (OLS) regression techniques, the effect of PL 95-19 on the referral and placement wage experience of FSB claimants

Table 30

PROBABILITY OF REMAINING UNEMPLOYED

Number of Weeks After First FSB Claim	Probability of Not Being Placed in a Job		
	Pre	Post	Difference
0	1.000	1.000	0
2	.996	.992	.004
4	.988	.985	.003
6	.981	.976	.005
8	.977	.968	.009
10	.970	.963	.007
12	.962	.951	.011
14	.951	.937	.014
16	.926	.888	.038
18	.894	.813	.081

Table 31

CHANGE IN THE REFERRAL RATE ASSOCIATED WITH PL 95-19
(Referrals Per Week; Obtained from Regression Analysis)

Referral Type	Average Referrals Per Week	Change in Number of Referrals Per Week*
Long-term†	.217	.015
Short-term	.026	.012
Temporary	.009	-.003
Total	.025	.023

*May referral rate minus February referral rate.

†Significant at the 10% level.

can be analyzed. The change in FSB provisions appears to have had a significant effect on referral and placement wage offers in the anticipated direction. Comparing the referral wage (average over all types of referrals) of the February 1977 group with the May 1977 group, the average wage is found to be approximately 20% lower for the May group. The average hourly pay of the earliest placement observed in the data file for FSB recipients is also approximately 20% lower for the group most significantly affected by the law. Both of these effects are significant at a 5% level or better.

The samples are too small to isolate differential impacts by sex or state, but these and other demographic characteristics were included in the regression analysis to assist in controlling for these characteristics. In addition, the problem of the effect of inflation on the analysis was addressed by including a time variable as well as employing the deflation technique. Although it is impossible to be certain that these techniques have completely resolved the inflation issue, it does appear that the law encouraged individuals to seek and accept jobs at lower wages than they might have otherwise.

Impact of PL 95-19 on Postunemployment Occupation

Another way to measure the impact of the suitable work provisions of PL 95-19, is by measuring the changes in the occupational status of the individual. Although occupations represent a very imprecise measure of what constitutes suitable work, a group affected by PL 95-19 would more likely accept a job in a greater range of occupations than their pre PL 95-19 counterparts.

The ESARS data contains information concerning the "primary occupational classification" of the individuals who receive ES services. This classification system employs the standard Dictionary of Occupational Titles (DOT) code. To identify changes in occupation, the "primary occupational classification" DOT code was compared with the DOT code

associated with the claimant's first placement that is recorded in the ESARS files.* Those for whom these codes differ are recorded as having changed occupation.

Table 32 illustrates the propensity to change occupations before and after the change in FSB provisions for various race, sex, and age groups in each State for which the necessary data were available. As the table indicates, the proportion of individuals who change occupation between ES filing and their first placement is generally quite high, particularly considering the coarseness of the definition of occupation change.

The cell sizes in this table are too small in many cases to draw inferences concerning the impact of PL 95-19 on the occupational preferences of claimants in the sample. Regression analysis, however, permits investigation of the impact of PL 95-19 in this dimension and suggests that there is a small but statistically significant influence of the law on the occupational preferences of the FSB recipients.

The regression analysis suggests that these FSB claimants who made claims in May 1977 were approximately 5% more likely to ultimately accept a job outside of their "primary occupational classification" than those in groups of February claimants. Similar but less reliable results are obtained when using the larger 5% sample.†

This suggests that the ES placement and referral process was influenced by the changes in FSB regulations; the individuals seeking ES assistance were aware of the increased risk of disqualification associated with refusing suitable work outside their customary occupation and responded accordingly.

*The DOT codes employ a 9-digit classification system. The coarsest classification (the first digit) was employed to make comparisons because at finer levels of classification, changes in "customary occupation" become more difficult to discern, and most individuals are observed to have changed occupation if this fine code is employed.

†The lower reliability arises because of the truncation from the sample of those who found early placements. Thus, the pre-PL 95-19 group is heavily weighted by individuals who have difficulty obtaining placements or who tend to remain unemployed.

Table 32

PERCENT WHO CHANGE OCCUPATION BY TIME PERIOD AND DEMOGRAPHIC CHARACTERISTICS (CALIFORNIA AND NEW YORK)

	California		New York	
	Pre	Post	Pre	Post
Total	69.3%	67.6%	89.0%	92.3%
Male	75.8	76.7	86.3	86.5
Female	57.3	54.0	94.7	100.0
White	61.7	61.4	89.3	89.1
Male	68.0	75.7	88.6	80.7
Female	50.0	43.9	90.9	100.0
Nonwhite	75.6	73.6	88.2	97.2
Male	79.3	80.0	81.8	95.2
Female	69.7	62.5	100.0	100.0
Age Group				
16-21	85.7	73.3	88.9	100.0
22-43	67.7	67.4	90.0	92.7
44-63	68.0	66.7	86.1	85.7
64+	60.0	-	-	-

- = Fewer than five persons in category.

Summary

The evidence available suggests that PL 95-19 had impacts in the direction anticipated by job search theory:

- It decreased the duration of spells of unemployment.
- It decreased the postunemployment wage and the wage associated with job referrals.
- It increased the proportion of FSB claimants utilizing the referral and placement services of the ES.
- It increased the rate at which individuals sought referrals.
- It increased the proportion of claimants accepting placements outside their customary occupation.

This evidence suggests that PL 95-19 was successful in reducing unemployment that may be associated to some degree with the maintenance of the unemployed through unemployment insurance.

Conclusions concerning the economic effectiveness of PL 95-19 must be drawn cautiously because a large portion of the population of interest goes unobserved (particularly those who place themselves outside of the ES system after exhaustion of FSB benefits). However, the report indicates that several changes in job search behavior by the FSB recipient did not occur by chance and that PL 95-19 had many of the anticipated impacts.

Appendix A

DESCRIPTION OF THE DATA COLLECTION PROCEDURE

Appendix A

DESCRIPTION OF THE DATA COLLECTION PROCEDURE

Sources of Data in the States

The unit of analysis for this study was the individual FSB recipient. The following data items were requested from the States of California, New York, Pennsylvania, and Washington for each individual in the sample:

- The characteristics of individual recipients
- Benefits under the FSB program
- Benefits under necessary precursor programs, regular UI, and EB
- The time span of payments under the FSB program
- Contact with the Employment Service
- Disqualification for receiving further benefits.

UI Data Sources

The data for the study came from UI records, ES records, and special disqualification forms. The list of items requested is shown in Table A-1 and the disqualification form is shown in Table A-2. However, not all data items were available in every State. Those items supplied by each State are shown in the column entitled "Availability."

ES Data Sources

The Employment Service maintains a uniform nationwide data structure that is concisely and accurately described, the Employment Service Automated Record System (ESARS). One file of ESARS data structure which contains dated transactions recording referrals and placements of individuals by the Employment Service was drawn. The Social Security number of the individual was used to match the ES and UI data.

Table A-1

REQUIRED DATA ITEMS

Availability*					
CA	NY	PA	WA		
				A.	Claimant Characteristics
X	X	X	X	(1)	Sequence number on social security number
X	X	X	X	(2)	Age or year of birth
X	X	X	X	(3)	Sex
X	X		X	(4)	Race
	X			(5)	Education
X	X	X	X	(6)	County of residence or zip code if county not available
X	X	X	X	(7)	SIC code of principal and/or last employer
X	X			(8)	DOT code of principal and/or last occupation
X	X	X	X	(9)	Field office number
				B.	Payment Information of Claimant
X	X	X	X	(1)	Date of initial regular UI claim (UI BYB)
X				(2)	Date of initial FSB claim (FSB BYB)
X	X	X	X	(3)	UI total entitlement (UI MBA)
X	X		X	(4)	EB total entitlement (EB MBA)
X	X	X	X	(5)	FSB total entitlement (FSB MBA)
X	X	X	X	(6)	UI WBA
X	X	X	X	(7)	Total FSB amount paid
		X		(8)	Dependence allowance
	X	X	X	(9)	Pension reduction amount
X	X	X	X	(10)	Date of first FSB payment
X	X	X	X	(11)	Date of last FSB payment
X	X	X	X	(12)	Date of disqualification
X	X	X	X	(13)	Group indicator
				C.	Wage and Employment Data
	X	X		(1)	Base period earnings
	X			(2)	Number of weeks in the base period
		X		(3)	High quarter wages
				D.	ESARS Data: Transactions from the Applicant Services Record, tape MA351 - M1
X	X	X	X	(1)	Referrals, transactions 242, 252 and 262
X	X	X	X	(2)	Training, transactions 301-304 and 390
X	X	X	X	(3)	WIN - entered employment transactions 411-418
X	X	X	X	(4)	Job order placements, transactions 750, 752, 754, 756, 760, 762, 764, 766, 770, 772, 774 and 776.

*An "X" in a State column on an item line indicates that the item was supplied by the State.

Table A-2

FSB DISQUALIFICATION FORM

Instructions: Please complete this form for any individuals who were disqualified under FSB for refusing a suitable work order or for not actively seeking work. After you have completed this form, please return to the State capital.

☐☐☐ - ☐☐ - ☐☐☐☐
Social Security Number

Name of Claimant

☐☐☐
Local Office No.

1. Please check the reason for disqualification:

   ☐ a. Not actively seeking work

   ☐ b. Refusal of suitable work (FSB provision)

   ☐ c. Refusal of suitable work (State provision)

2. ____/____/____ Effective date of disqualification
   month day year

3. Did the claimant appeal the disqualification to a referee?

   ☐ a. Yes  Please go to question 4

   ☐ b. No STOP

4. Has a decision on the appeal been made?

   ☐ a. Yes  Please go to question 5

   ☐ b. No STOP

5. If a decision has been made, please check the appropriate box:

   ☐ a. Disqualification was upheld  Please go to question 6

   ☐ b. Disqualification was overturned STOP

6. Did claimant appeal to the Appeal Board?

   ☐ a. Yes

   ☐ b. No

Creation of Magnetic Tape Files

A two-stage sampling process was applied to the UI data file described above. First, a base population file was created containing one record for each individual who satisfied the following conditions: (1) The first FSB payment date was not later than August 31, 1977, (2) the last FSB payment date was not earlier than February 1, 1977, and (3) the claim was not interstate, supplemental assistance, or to Federal employees or ex-servicemen. From this base population, two overlapping samples were drawn: (1) A random sample of 5% of the base population (10% in Washington and New York), and (2) a sample of all individuals who were disqualified for not actively seeking work (NASW) or refusal of suitable work (RSW).

Records for individuals falling into one or both samples were stored in a claimant file and sent to SRI. In every State, there was a manual search for disqualification information, but the search was limited to individuals in the base population who had not exhausted FSB benefits. The State of New York limited its manual search by taking advantage of the fact that it stored a disqualification indicator in its master claims file. A 10% sample rather than a 5% random sample was generated and the manual search performed on those in the sample who had been disqualified. The claimant file sent by New York contained a 10% sample (22,440 records) including 928 recipients who were disqualified and records for all disqualified individuals not in the 10% sample (7,122 records). This was subsequently reduced to a 5% sample and to those records that had information on disqualifications.

The random sample procedure in California, New York, and Pennsylvania was based on the low-order four digits of the Social Security number and, in California, designed to coincide with the random sampling that is done for occupation coding. In Washington the random sample was generated by selecting every tenth record in the base population.

The total number of records used in the analysis by State is shown in Table A-3.

Table A-3

TOTAL CLAIMANT RECORDS PER STATE

State	Number of Records
California	13,076
New York	12,076
Pennsylvania	10,902
Washington	3,889

Appendix B

TECHNICAL NOTES

Appendix B

TECHNICAL NOTES

The report used ordinary least square (OLS) multivariate regression analysis to evaluate the impact of PL 95-19 on various dependent variables. A logit (log of the odds) specification used maximum likelihood estimation techniques to predict probabilities of exhausting benefits or becoming disqualified. This appendix lists the OLS and logic equations, defines the independent variables used in the regression analysis, and presents the estimation results.

Definitions of Independent Variables

Control Variables

AGE - A series of age dummy variables was constructed. These variables took the value one if the individual was in that category and zero otherwise. The age intervals are: (1) 22-34 years, (2) 35-44 years, (3) 45-54 years, (4) 55-64 years, and (5) over 64 years. The interval 16-21 years was the omitted interval.

RACE - A dummy variable that took the value one if the individual was white and zero otherwise.

SEX - A dummy variable that took the value one if the individual was male and zero otherwise.

OCCUPATION - A series of occupation dummy variables was constructed. These variables took the value one if the individual was in a particular occupation category and zero otherwise. The occupation categories are: (1) professional, (2) clerical, (3) machine operative, and (4) structural (construction).

INDUSTRY - A series of industry dummy variables was constructed. These variables took the value one if the individual was in a particular industry category and zero otherwise. The industry categories are: (1) construction, (2) manufacturing, (3) wholesale and retail trade, (4) service, and (5) for New York only, financial.

Unemployment Insurance Variables

POST PL 95-19 - A dummy variable that took the value one if the individual first filed for FSB after May 1, 1977

TWILIGHT - A dummy variable that took the value of one if the individual first filed for FSB in a week such that it was not possible to receive the lesser of 26 times WBA or 100% of regular UI entitlement before April 30, 1977

WEEKS - A variable that was the difference in weeks between the first FSB payment and the last FSB payment. This variable measured the number of weeks over which benefits were received.

BENEFIT DURATION - This variable gives the equivalent in weeks of the amount of FSB paid if the individual had received the full WBA each week

TIME - A continuous daily time variable that showed the number of days since the original regular UI claim was filed. This variable acted as an inflation deflator for the WBA.

WBA - A series of dummy variables was constructed that reflected the amount of the WBA that the individual received and whether the individual was at the maximum value of the WBA. The intervals are: (1) $50-75, (2) $76-(maximum WBA - $1), and (3) the maximum WBA.

STATES - A series of dummy variables that reflected the State the individual lived in.

OLS Parameter Estimates

For much of the analysis OLS was used on the entire sample, with dummy variables used for POST and TWILIGHT. The coefficients of these estimated equations indicate the impact of various independent variables on the dependent variable. For example, when the report says that in California there was a reduction of 1.15 weeks in the number of weeks that benefits were received, this means that the regression coefficient of -1.15 takes account of the weeks of entitlement that the individual has as well as several other factors to determine the net reductions in weeks. When OLS is used to estimate the probabilities, then the coefficient is

Interpreted at the percentage change in the dependent variable. For example, when the report says says that there was a 6% reduction in the likelihood of exhausting benefits it means that the percent who exhausted wnet down six percentage points and the coefficient for Post PL 95-19 in the probability of exhausting equation is .060.

Logit Parameter Estimates

The logit specification is: $P_j/(1 - P_j) = x\beta$; where P_j is the probability of the event j, x is a matrix of explanatory variables and β is a vector of coefficients. The prediction function is: $\hat{P}_j = 1/[1 + \exp(-x\hat{\beta})]$ where the $\hat{}$ indicates the estimated value. The logit specification solves two of the problems of OLS probability estimation: (1) heterogeneity of the variances, and (2) the possibility that the predicted probabilities could be outside the (0, 1) range. The coefficients of the logit regressions cannot be read like the coefficients of the OLS regressions but can only be interpreted through the calculation of the probability, $\hat{P}_j$. However, a positive sign in front of the coefficient means that the probability has increased while a negative sign means that the variable causes the probability to decrease. See Goldberger (1963) for an excellent treatment of the logit model. The OLS results are reported in Tables B1 - B7, B9, B10, and B12. The logit results are reported in Tables B8 and B11.

Table B-1

PARAMETER ESTIMATES OF WEEKLY BENEFIT AMOUNT

(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	42.573* (1.589)	54.864* (1.133)	40.638* (1.874)	44.306* (2.411)
Demographic Characteristics				
Male	13.073* (.518)	14.774* (.427)	30.250* (.616)	13.205* (.951)
White	4.504* (.540)	1.866* (.478)	-	0.867 (1.110)
Age 22-34	12.118* (1.093)	13.541* (.618)	18.094* (1.149)	9.341* (1.278)
Age 35-44	13.911* (1.093)	15.026* (.711)	20.444* (1.285)	10.871* (1.646)
Age 45-54	17.962* (1.201)	15.407* (.711)	20.535* (1.245)	9.429* (1.658)
Age 55-64	19.303* (1.208)	15.594* (.715)	20.667* (1.252)	13.599* (1.631)
Age Over 64	16.957* (1.308)	5.190* (.844)	19.077* (1.328)	12.093* (2.253)
Occupation				
Professional	15.593* (.740)	7.670* (.839)	-	-
Clerical	7.514* (.625)	7.027* (1.453)	-	-
Machine Operative	7.184* (1.035)	-4.184* (.517)	-	-
Structural	7.887* (.916)	-9.576* (.646)	-	-

Table B-1 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	5.335* (1.265)	8.471* (1.000)	5.013* (1.172)	4.233* (1.983)
Manufacturing	7.515* (.810)	-1.372 (.889)	-2.857* (.979)	2.875* (1.417)
Wholesale Trade	-5.010* (.831)	-7.309* (.885)	-12.809* (1.014)	-5.607* (1.421)
Financial	----	.500 (1.081)	----	----
Service	-3.135* (.849)	-2.686* (.907)	-13.355* (1.148)	-4.631* (1.577)
UI Variables				
Post PL 95-19	11.279* (.888)	1.460* (.534)	-.675 (1.275)	7.120* (1.601)
Twilight Group	8.980* (.640)	1.039* (.476)	1.993* (0.907)	7.838* (1.411)
Time From UI Claim Date	-.022* (.002)	----	.028* (.003)	.021* (.003)
N =	7124	10033	8641	1705
R^2 =	.277	.261	.336	.256

*Statistically significant at .05 level.

Table B-2

PARAMETER ESTIMATES OF WEEKS OF FSB PAYMENTS

(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	5.249* (.362)	21.397* (.368)	5.843* (.394)	6.189* (.656)
Demographic Characteristics				
Male	-.015 (.105)	-.180 (.104)	-.436* (.111)	-.169 (.229)
White	.266* (.106)	-.506* (.110)	-	.829* (.257)
Age 22-34	.317 (.214)	.232 (.145)	.619* (.188)	.601* (.297)
Age 35-44	.007 (.215)	.293 (.167)	.858* (.210)	1.070* (.382)
Age 45-54	.500* (.237)	.661* (.168)	.947* (.204)	1.413* (.385)
Age 55-64	.763* (.239)	.963* (.169)	1.163* (.205)	1.330* (.382)
Age Over 64	1.643* (.258)	1.544* (.195)	1.091* (.218)	1.238* (.524)
Occupation				
Professional	.372* (.149)	-.252 (.194)	-	-
Clerical	.836* (.123)	-.239 (.334)	-	-
Machine Operative	.418* (.202)	-.764* (.119)	-	-
Structural	.278 (.179)	.001 (.150)	-	-

Table B-2 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-.327 (.246)	-.309 (.231)	.110 (.190)	-.742 (.460)
Manufacturing	-.029 (.158)	.099 (.204)	-.239 (.158)	-.338 (.328)
Wholesale Trade	.449* (.162)	.584* (.204)	.266 (.165)	-.204 (.330)
Financial	----	.334 (.248)	----	----
Service	.232 (.165)	.237 (.208)	.183 (.187)	.480 (.366)
UI Variables				
WBA Between $50 and $75	.785* (.126)	.719* (.133)	.211 (.150)	-.528 (.282)
WBA Between $76 and (Max-$1)	1.229* (.139)	1.022* (.147)	.110 (.146)	-.171 (.281)
WBA at Maximum	1.391* (.177)	.798* (.145)	-.462* (.166)	.624 (.330)
Weeks Over Which Benefits Taken	.566* (.007)	.191* (.006)	.444* (.007)	.418* (.018)
Post PL 95-19	-1.153* (.185)	-7.273* (.217)	-6.589* (.226)	-1.914* (.390)
Twilight Group	-.495* (.140)	-5.786* (.154)	-3.636* (.171)	-1.838* (.339)
Time from UI Claim Date	-.004* (.000)	-.012* (.001)	.008* (.001)	-.001 (.001)
N =	7124	10033	8641	1705
R^2 =	.683	.611	.577	.357

*Statistically significant at .05 level.

Table B-3

PARAMETER ESTIMATES OF TOTAL FSB ENTITLEMENT

(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	1047.290* (23.788)	1098.652* (12.999)	920.732* (20.958)	862.518* (58.404)
Demographic Characteristics				
Male	25.862* (7.889)	22.577* (4.285)	97.504* (7.476)	63.483* (22.392)
White	48.322* (7.924)	-9.292* (4.541)	-	152.047* (25.179)
Age 22-34	28.083 (16.074)	2.729 (5.990)	21.559 (12.658)	142.474* (29.116)
Age 35-44	15.649 (16.097)	-1.460 (6.894)	47.252* (14.127)	168.715* (37.419)
Age 45-54	50.854* (17.755)	4.383 (6.913)	36.474* (13.711)	154.280* (37.729)
Age 55-64	60.317* (17.913)	2.304 (6.964)	36.363* (13.803)	249.422* (37.342)
Age Over 64	81.149* (19.318)	-19.982* (8.027)	26.671 (14.629)	328.661* (51.226)
Occupation				
Professional	59.314* (11.151)	10.971 (7.994)	-	-
Clerical	87.973* (9.199)	23.945 (13.758)	-	-
Machine Operative	84.475* (15.144)	11.472* (4.916)	-	-
Structural	55.420* (13.429)	-6.486 (6.171)	-	-

Table B-3 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-23.297 (18.485)	9.048 (9.538)	19.154 (12.788)	-97.446* (45.044)
Manufacturing	19.649 (11.872)	-4.164 (8.405)	-29.891* (10.634)	-29.395 (32.154)
Wholesale Trade	29.632* (12.130)	-30.187* (8.391)	-34.946* (11.126)	-101.460* (32.304)
Financial	-	-2.977 (10.222)	-	-
Service	33.377* (12.386)	-11.926 (8.575)	-50.431* (12.551)	-33.305 (35.824)
UI Variables				
WBA Between $50 and $75	531.459* (9.449)	535.515* (5.492)	571.299* (10.080)	-191.589* (27.631)
WBA Between $76 and (Max-$1)	1118.069* (10.370)	1025.175* (6.052)	1294.995* (9.782)	205.357* (27.469)
WBA at Maximum	1517.888* (13.288)	1265.882* (5.973)	1833.696* (11.170)	748.706* (31.968)
Post PL 95-19	-473.293* (13.098)	-953.060* (7.685)	-1132.268* (13.849)	-275.762* (36.433)
Twilight Group	245.370* (9.471)	-4.562 (5.193)	31.052* (9.855)	397.858* (32.445)
Time from UI Claim Date	-.996* (.034)	.048* (.021)	.352* (.036)	-.066 (.072)
N =	7124	10033	8641	1705
R^2 =	.844	.927	.897	.652

*Statistically significant at .05 level.

Table B-4

PARAMETER ESTIMATES OF TOTAL FSB BENEFITS PAID

(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	-222.780* (48.573)	1452.096* (26.539)	1016.028* (36.031)	-169.437* (72.818)
Demographic Characteristics				
Male	22.462* (10.713)	-3.835 (8.747)	1.896 (12.852)	83.364* (20.752)
White	-4.869 (10.789)	-42.327* (9.269)	-	6.290 (23.564)
Age 22-34	28.633 (21.827)	22.102 (12.226)	49.793* (21.763)	84.271* (26.850)
Age 35-44	17.031 (21.858)	31.761* (14.070)	108.030* (24.289)	126.943* (34.476)
Age 45-54	43.094 (24.109)	44.423* (14.110)	115.560* (23.576)	106.768* (34.827)
Age 55-64	94.335* (24.334)	86.917* (14.214)	134.053* (23.730)	159.688* (34.574)
Age Over 64	190.364* (26.265)	87.920* (16.382)	156.926* (25.148)	111.393* (47.495)
Occupation				
Professional	49.999* (15.153)	-13.546 (16.318)	-	-
Clerical	52.791* (12.605)	-18.320 (28.080)	-	-
Machine Operative	61.010* (20.598)	-45.962* (10.033)	-	-
Structural	63.065* (18.236)	-0.641 (12.596)	-	-

Table B-4 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-30.796 (25.096)	-26.529 (19.467)	-20.956 (21.984)	14.664 (41.674)
Manufacturing	40.661* (16.117)	1.969 (17.155)	-33.552 (18.282)	37.061 (29.697)
Wholesale Trade	3.932 (16.496)	14.588 (17.127)	16.283 (19.127)	3.307 (29.788)
Financial	----	22.915 (20.862)	----	----
Service	-1.314 (16.842)	17.312 (17.502)	1.695 (21.576)	4.839 (33.001)
UI Variables				
WBA Between $50 and $75	237.777* (13.135)	400.709* (11.209)	385.402* (17.330)	-37.336 (25.612)
WBA Between $76 and (Max-$1)	527.191* (14.871)	754.685* (12.354)	821.554* (16.818)	135.647* (25.293)
WBA at Maximum	608.816* (19.093)	904.836* (12.191)	1080.729* (19.204)	218.965* (30.667)
Disqualified	-241.246* (42.681)	-401.920* (20.246)	-369.567* (51.574)	-122.879* (30.128)
Post PL 95-19	-163.302* (19.638)	-768.798* (15.690)	-1023.643* (23.810)	-55.051 (35.792)
Twilight Group	-555.348* (13.883)	620.576* (10.603)	-739.550* (16.946)	-382.206* (31.955)
Time from UI Claim Date	-.026 (.053)	-.831* (.043)	.160* (.061)	.319* (.070)
Weeks of Benefit Duration	48.769* (1.462)	†	†	38.876* (2.483)
N =	7124	10033	8641	1705
R^2 =	.563	.661	.511	.314

*Statistically significant at .05 level.

†Weeks of benefit duration is a constant 26 weeks.

Table B-5

PARAMETER ESTIMATES OF ENTITLEMENT LOSS

(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	417.781* (42.510)	498.576* (35.285)	614.798* (42.024)	856.886* (87.843)
Demographic Characteristics				
Male	23.030 (17.487)	40.336* (13.647)	111.502* (18.972)	40.416 (44.118)
White	47.446* (17.168)	21.033 (14.478)	-	145.778* (48.114)
Age 22-34	-5.147 (35.360)	-19.777 (18.944)	-5.912 (32.941)	117.220* (56.659)
Age 35-44	6.471 (35.547)	-51.637* (21.374)	-39.738 (36.556)	125.115 (71.200)
Age 45-54	-.050 (39.062)	-45.546* (21.726)	-51.155 (35.337)	49.515 (76.872)
Age 55-64	-30.810 (39.467)	-95.912* (21.971)	-92.380* (35.752)	162.381* (72.106)
Age Over 64	-186.390* (42.900)	-144.124* (25.773)	-140.486* (37.732)	368.740* (93.672)
Occupation				
Professional	-12.625 (24.415)	-29.849 (25.426)	-	-
Clerical	-3.371 (20.148)	-45.663 (41.467)	-	-
Machine Operative	10.226 (32.104)	28.863 (15.573)	-	-
Structural	-7.116 (29.052)	-26.821 (19.445)	-	-

Table B-5 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-23.436 (39.684)	-24.341 (30.167)	106.635* (31.697)	-165.451 (87.627)
Manufacturing	-32.690 (25.762)	-5.023 (27.137)	45.790 (26.625)	-130.454* (62.103)
Wholesale Trade	-15.715 (26.487)	-47.556 (27.161)	-6.374 (27.786)	-233.691* (63.737)
Financial	---	-21.139 (33.179)	---	---
Service	10.226 (26.932)	-10.941 (27.824)	-6.135 (31.792)	-146.014* (69.976)
UI Variables				
WBA Between $50 and $75	356.441* (21.444)	260.416* (17.424)	404.059* (25.749)	-153.541* (59.351)
WBA Between $76 and (Max-$1)	731.331* (22.921)	513.352* (19.036)	987.571* (25.003)	171.233* (57.927)
WBA at Maximum	1047.768* (28.081)	671.599* (18.971)	1506.170* (28.735)	631.129* (57.659)
N =	3261	4664	4656	809
R^2 =	.411	.317	.540	.309

*Statistically significant at .05 level.

Table B-6

PARAMETER ESTIMATES OF THE PROBABILITY OF EXHAUSTION
(Ordinary Least Square)

(Standard Error in Parentheses)

Name of Variables	CALIFORNIA	NEW YORK	PENNSYLVANIA	WASHINGTON
Constant	.254*	.604*	.190*	.301*
	(.041)	(.029)	(.028)	(.074)
Demographic Characteristics				
Male	.010	-.022*	-.053*	-.030
	(.012)	(.011)	(.012)	(.025)
White	-.036*	-.020	-	-.054
	(.012)	(.012)		(.028)
Age 22-34	.032	.041*	.036	.076*
	(.025)	(.015)	(.020)	(.032)
Age 35-44	.010	.069*	.053*	.158*
	(.025)	(.018)	(.022)	(.041)
Age 45-54	.037	.092*	.102*	.135*
	(.028)	(.018)	(.022)	(.041)
Age Over 64	.158*	.172*	.126*	.083
	(.030)	(.021)	(.023)	(.057)
Occupation				
Professional	.041	-.028	-	-
	(.017)	(.021)		
Clerical	.065*	-.038	-	-
	(.014)	(.035)		
Machine Operative	.058*	-.032*	-	-
	(.024)	(.013)		
Structural	.046*	-.007	-	-
	(.021)	(.016)		

Table B-6 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-.042 (.029)	-.084* (.025)	.013 (.020)	-.030 (.050)
Manufacturing	.003 (.018)	-.043 (.022)	.027 (.017)	.023 (.036)
Wholesale Trade	.022 (.019)	-.024 (.022)	.022 (.018)	-.017 (.036)
Financial	-	.022 (.026)	-	-
Service	.042* (.019)	.016 (.022)	.042* (.020)	-.005 (.040)
UI Variables				
WBA Between $50 and $75	-.013 (.015)	.020 (.014)	.035* (.016)	-.003 (.031)
WBA Between $76 and (Max-$1)	.004 (.017)	.048* (.016)	.025 (.015)	.021 (.030)
WBA at Maximum	-.053* (.022)	.039* (.015)	.015 (.018)	-.026 (.037)
Disqualified	-.334* (.049)	-.404 (.026)	-.275* (.047)	-.120* (.036)
Post PL 95-19	.049* (.021)	-.081* (.013)	.225* (.015)	.142* (.042)
Twilight Group	-.203* (.014)	-.323* (.012)	-.022 (.014)	-.016 (.372)
Weeks of Benefit Duration	.005* (.001)	†	†	-.003 (.003)
N =	7124	10033	8641	1705
R^2 =	.066	.122	.070	.059

*Statistically significant at .05% level.

†Weeks of benefit duration is a constant 26 weeks.

Table B-7

PARAMETER ESTIMATES OF THE PROBABILITY OF EXHAUSTION

COEFFICIENT
(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	.254* (.041)	.604 (.029)	.190* (.028)	.301* (.074)
Demographic Characteristics				
Male	.010 (.012)	-.022* (.011)	-.053* (.012)	-.030 (.025)
White	-.036* (.012)	-.020 (.012)	--	-.054 (.028)
Age 22 - 34	.032 (.025)	.041* (.015)	.036 (.020)	.076* (.032)
Age 35 - 44	.010 (.025)	.069* (.018)	.053* (.022)	.158* (.041)
Age 45 - 54	.037 (.028)	.092* (.018)	.102* (.022)	.135* (.042)
Age 55 - 64	.098* (.028)	.109* (.018)	.091* (.022)	.077 (.041)
Age over 64	.158* (.030)	.172* (.021)	.126* (.023)	.083 (.057)
Occupation				
Professional	.041* (.017)	-.028 (.021)	--	--
Clerical	.065* (.014)	-.038 (.035)	--	--
Machine operative	.057* (.024)	-.032* (.013)	--	--
Structural	.046* (.021)	-.007 (.016)	--	--

TABLE B-7 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-.042 (.029)	-.084* (.025)	.013 (.020)	-.030 (.050)
Manufacturing	.003 (.018)	-.043* (.022)	.027 (.017)	.023 (.036)
Wholesale trade	.022 (.019)	-.024 (.022)	.022 (.018)	-.017 (.036)
Financial	--	.022 (.026)	--	--
Service	.042* (.019)	.016 (.022)	.042* (.020)	-.005 (.040)
UI Variables				
WBA between $50 - 75	-.013 (.015)	.020 (.014)	.035* (.016)	-.003 (.031)
WBA between $76 - (Max-1)	.004 (.017)	.048* (.016)	.025 (.015)	.021 (.030)
WBA at maximum	-.053* (.022)	-.039* (.015)	.015 (.018)	-.026 (.037)
Disqualified	-.334* (.049)	-.404* (.025)	-.274* (.047)	-.120* (.036)
Post PL 95-19	.049* (.021)	-.081* (.013)	.225* (.015)	.142* (.042)
Twilight Group	-.203* (.014)	-.322* (.012)	-.022 (.014)	-.016 (.037)
Weeks of benefit duration	.005* (.001)	†	†	-.003 (.003)
N =	7124	10033	8641	1705
R^2 =	.066	.122	.070	.059

*Statistically Significant at .05 level.

†Weeks of benefit duration is a constant 26 weeks.

Table B-8

LOGIT PROBABILITY OF EXHAUSTING BENEFITS BY TIME AND STATE
(Standard Error in Parentheses)

Name of Variables	California		New York		Pennsylvania		Washington	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Constant	-1.721*	-.709*	.138	-.331	-2.700*	-.771*	1.695	-.404
	(.320)	(.346)	(.234)	(.214)	(.494)	(.206)	(1.114)	(.513)
Demographic Characteristics								
Male	.134	-.051	-.053	-.138	.004	-.306*	-.416	.061
	(.104)	(.101)	(.097)	(.085)	(.167)	(.096)	(.423)	(.193)
White	.221*	-.291*	-.032	-.271*	-	-	-.903*	.122
	(.112)	(.105)	(.105)	(.095)			(.428)	(.227)
Age 22-34	.069	.525*	.050	.327*	1.004*	.216	.222	.525*
	(.232)	(.227)	(.138)	(.126)	(.398)	(.158)	(.581)	(.264)
Age 35-44	-.048	.524*	.187	.533*	1.102*	.349*	1.081	1.102*
	(.232)	(.226)	(.160)	(.149)	(.421)	(.176)	(.710)	(.341)
Age 45-54	.064	.527*	.411*	.599*	1.527*	.537*	1.286	.801*
	(.254)	(.250)	(.159)	(.148)	(.410)	(.173)	(.692)	(.321)
Age 55-64	.263	1.081*	.612*	.665*	1.509*	.662*	.849*	.562
	(.255)	(.250)	(.160)	(.150)	(.408)	(.175)	(.721)	(.334)
Age Over 64	.791*	1.325*	.375*	1.613*	1.084*	.806*	1.087*	.965*
	(.266)	(.273)	(.183)	(.185)	(.428)	(.187)	(1.094)	(.478)
UI Variables								
Weeks of Benefit Duration	.053*	-.016	-	-	-	-	-.097*	-.107*
	(.011)	(.022)					(.045)	(.033)
WBA Between $50 and $75	-.161	-.011	.101	.264*	-.113	.498*	-1.027	.221
	(.131)	(.130)	(.126)	(.118)	(.200)	(.136)	(.541)	(.295)
WBA Between $76 and (Max-$1)	-.077	.192	.264	.298*	-.267	.523*	-.713	.231
	(.149)	(.149)	(.142)	(.130)	(.213)	(.129)	(.565)	(.300)
WBA at Maximum	-.453	-.070	.035	.323*	-.929*	.517*	-10.329	.202
	(.249)	(.181)	(.136)	(.124)	(.215)	(.150)	(44.336)	(.320)
Industry								
Construction	-.491	-.178	-.146	-.338	1.597*	-.282	.277	.299
	(.261)	(.241)	(.204)	(.216)	(.315)	(.180)	(.710)	(.394)
Manufacturing	-.133	.070	-.067	-.163	1.194*	-.145	-.046	.238
	(.167)	(.160)	(.187)	(.176)	(.294)	(.140)	(.545)	(.287)
Wholesale Trade	.096	.157	.019	.093	-.025	.349*	-1.284*	.316
	(.174)	(.161)	(.190)	(.175)	(.326)	(.144)	(.623)	(.281)
Financial	-	-	.289	.116	-	-	-	-
			(.231)	(.213)				
Service	.073	.137	.248	.112	-.181	.292	-.853	.590
	(.180)	(.163)	(.194)	(.176)	(.386)	(.156)	(.728)	(.305)
N =	1795	2034	2455	2754	1423	2509	203	615
X^2	2338.330	2693.840	3242.680	3690.050	1451.50	3384.600	181.790	810.034

*Statistically significant at .05 level.

Table B-9

PARAMETER ESTIMATES OF THE PROBABILITY OF DISQUALIFICATION
(Ordinary Least Square)

(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	.005	-.034*	.008	.025
	(.014)	(.013)	(.008)	(.059)
Demographic Characteristics				
Male	.001	-.008	-.002	-.013
	(.003)	(.004)	(.003)	(.017)
White	.003	.003*	-	.017
	(.003)	(.005)		(.019)
Age 22-34	-.010	.005	-.006	.016
	(.006)	(.006)	(.005)	(.022)
Age 35-44	-.013*	.002	-.008	.010
	(.006)	(.007)	(.005)	(.028)
Age 45-54	-.006	.002	-.010	.004*
	(.007)	(.007)	(.005)	(.003)
Age 55-64	-.010	.006	-.005	.009
	(.007)	(.007)	(.005)	(.028)
Age Over 64	-.010	.004	.001	.028
	(.007)	(.008)	(.005)	(.038)
Occupation				
Professional	-.004	-.014	-	-
	(.004)	(.008)		
Clerical	.011*	-.005	-	-
	(.003)	(.014)		
Machine Operative	.004	.003	-	-
	(.006)	(.005)		
Structural	.001	-.005	-	-
	(.005)	(.006)		

Table B-9 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-.003 (.007)	-.004 (.010)	.002 (.005)	.054 (.034)
Manufacturing	.001 (.004)	-.005 (.008)	-.002 (.004)	-.010 (.024)
Wholesale Trade	-.002 (.005)	-.005 (.008)	.000 (.004)	-.006 (.024)
Financial	-	.004 (.010)	-	-
Service	.000 (.005)	.009 (.009)	.002 (.005)	-.029 (.027)
UI Variables				
WBA Between $50 and $75	.000 (.004)	-.003 (.006)	-.006 (.004)	.023 (.021)
WBA Between $76 and (Max-$1)	.003 (.004)	-.009 (.006)	-.004 (.004)	.001 (.020)
WBA at Maximum	-.001 (.005)	-.002 (.006)	-.006 (.004)	-.007 (.025)
Post PL 95-19	.010* (.005)	.021* (.008)	.006 (.005)	.103* (.029)
Twilight Group	-.005 (.004)	(.013)* (.005)	.006 (.004)	.039 (.026)
Time from UI Claim Date	-.000 (.000)	.000* (.000)	.000 (.000)	.000 (.000)
Weeks of Benefit Duration	.000 (.000)	-	-	.001 (.002)
N =	7124	10033	8641	1705
R^2 =	.007	.019	.003	.019

*Statistically significant at .05 level.

Table B-10

PARAMETER ESTIMATES OF THE PROBABILITY OF APPEALING A DISQUALIFICATION DECISION TO A REFEREE

(Standard Error in Parentheses)

Name of Variables	California	New York	Pennsylvania	Washington
Constant	.311 (.220)	.265 (.142)	.038* (.100)	-.019 (.067)
Demographic Characteristics				
Male	-.095* (.040)	.002 (.033)	.027 (.032)	.032 (.018)
White	.040 (.040)	-.078* (.036)	-	-.033 (.021)
Age 22-34	-.003 (.060)	-.017 (.044)	.020 (.050)	.066* (.023)
Age 35-44	-.017 (.060)	-.000 (.054)	-.009 (.059)	.049 (.029)
Age 45-54	-.065 (.071)	.073 (.054)	.055 (.056)	.054 (.030)
Age 55-64	-.035 (.070)	.023 (.056)	-.065 (.055)	.037 (.029)
Age Over 64	-.165 (.094)	.022 (.060)	-.030 (.055)	.029 (.038)
Occupation				
Professional	-.026 (.052)	.067 (.061)	-	-
Clerical	-.022 (.043)	-.096 (.115)	-	-
Machine Operative	-.068 (.081)	-.034 (.038)	-	-
Structural	.004 (.071)	.006 (.048)	-	-

Table B-10 (Concluded)

Name of Variables	California	New York	Pennsylvania	Washington
Industry				
Construction	-.065 (.093)	.109 (.080)	-.031 (.060)	-.007 (.039)
Manufacturing	.033 (.054)	-.019 (.067)	.011 (.046)	-.004 (.026)
Wholesale Trade	.062 (.057)	-.020 (.067)	-.080 (.048)	.000 (.025)
Financial	-	.048 (.079)	-	-
Service	.004 (.057)	.055 (.066)	-.015 (.051)	.054* (.027)
UI Variable				
WBA Between $50 and $75	-.008 (.048)	.073 (.040)	.047 (.039)	-.051* (.022)
WBA Between $76 and (Max-$1)	.066 (.054)	.080 (.044)	.075 (.039)	-.020 (.022)
WBA at Maximum	.227* (.067)	.096* (.043)	.080 (.048)	-.033 (.026)
Disqualified for RSW	.088* (.034)	-.004 (.037)	.136* (.031)	.104* (.016)
Post PL 95-19	-.106 (.091)	.051 (.090)	-.022 (.077)	.076* (.034)
Twilight Group	.054 (.075)	.039 (.085)	-.034 (.069)	.014 (.027)
Time from UI Claim Date	-.000 (.000)	.000 (.000)	.000 (.000)	-.000 (.000)
Weeks of Benefit Duration	-.013 (.007)	†	†	.004 (.002)
N =	338	1106	871	1879
R^2 =	.103	.027	.058	.042

*Statistically significant at .05 level.

†Weeks of benefit duration is a constant 26 weeks.

Table B-11

LOGIT PROBABILITY OF DISQUALIFICATION IN POST PERIOD BY STATE
(Standard Error in Parentheses)

Name of Variable	California	New York	Pennyslvania	Washington
Constant	-3.353* (1.020)	-3.953* (.559)	-4.146* (.903)	-1.324 (.691)
Demographic Characteristics				
Male	-.157 (.328)	-.179 (.172)	-.119 (.397)	-.082 (.265)
White	.117 (.352)	.377 (.209)	- -	-.285 (.314)
Age 22-34	-1.014* (.517)	.162 (.271)	.381 (.791)	-.107 (.340)
Age 35-44	-1.324* (.544)	.240 (.310)	.245 (.883)	.002 (.451)
Age 45-54	-.490 (.562)	.133 (.314)	.325 (.855)	-.186 (.448)
Age 55-64	-1.257 (.680)	.254 (.309)	.653 (.834)	.319 (.429)
Age over 64	-.940 (.742)	.088 (.360)	1.082 (.819)	.470 (.642)
UI Variables				
Weeks of Benefit Duration	.011 (.072)	-	-	.011 (.047)
WBA $50 and $75	.704 (.465)	.299 (.240)	-.052 (.533)	-.220 (.358)
WBA $76 and (Max-$1)	.811 (.527)	-.150 (.285)	-.175 (.511)	-.384 (.378)
WBA at Maximum	-.101 (.731)	.206 (.255)	-.200 (.615)	-.892* (.439)
Industry				
Construction	-.313 (.842)	.829 (.539)	-.892 (.845)	-1.856 (1.080)
Manufacturing	.068 (.496)	.690 (.483)	-.744 (.549)	.19[illegible] (.399)
Wholesale Trade	-.185 (.513)	.516 (.486)	-.516 (.544)	.399 (.381)
Financial	-	.893 (.530)	-	-
Service	-.245 (.526)	1.076* (.476)	-.044 (.542)	-.186 (.441)
N =	2034	2754	2509	615
χ^2 =	425.118	1269.830	352.313	483.886

*Statistically significant at .05 level.

TABLE B-12

PARAMETER ESTIMATES FOR EMPLOYMENT SERVICE EQUATIONS

(Standard Error in Parentheses)

N=6956

	Referral Wage	Placement Wage	Long-Term Referral Wage	Short-Term Referral Wage	Temporary Referral Wage	Total Referral Wage	ES Participation	Occupational Change
Constant	.072* (.004)	.079* (.005)	.711* (.128)	.014 (.054)	-.017 (.039)	.710* (.139)	.181* (.068)	.062 (.361)
Demographic Characteristic								
Male	.003* (.001)	.005* (.001)	-.005 (.019)	-.007 (.008)	.016* (.006)	.004 (.021)	.040* (.011)	.019 (.059)
Age 22-34	.2E-3 (.002)	-.001 (.002)	-.057 (.030)	-.015 (.013)	-.003 (.009)	-.075* (.033)	.006 (.018)	-.214* (.086)
Age 35-44	.001 (.002)	-.3E-3 (.002)	-.066* (.033)	-.001 (.014)	-.001 (.010)	-.066 (.036)	.013 (.019)	-.137 (.089)
Age 45-54	.002 (.002)	.002 (.002)	-.043 (.037)	-.016 (.015)	-.005 (.011)	-.064 (.040)	-.021 (.020)	-.156 (.119)
Age 55-64	-.4E-3 (.002)	.002 (.003)	-.058 (.041)	-.006 (.017)	.3E-3 (.013)	-.064 (.045)	-.049* (.021)	-.287* (.139)
Age Over 64	.010 (.004)	.001 (.006)	-.015 (.084)	-.006 (.035)	-.017 (.026)	-.036 (.092)	-.128* (.023)	.073 (.212)
UI Variables								
Disqualified	-.4E-3 (.003)	-.002 (.004)	.028 (.049)	.003 (.021)	.029* (.015)	.060 (.054)	.011 (.028)	.056 (.156)
FSB Weeks	.3E-3* (.7E-4)	.2E-3* (.8E-4)	-.025* (.002)	-.004* (.001)	.001 (.001)	-.028* (.002)	-- --	.004 (.006)
Unemployment Rate†	.001* (.000)	.001 (.000)	-.013 (.008)	.005 (.003)	-.3E-3 (.003)	-.009 (.009)	-.009* (.004)	-.002 (.021)
FSB Total Entitlement	-.2E-4* (.8E-6)	-.2E-4* (.1E-5)	.7E-4* (.3E-4)	.000 (.000)	.000 (.000)	.7E-4* (.3E-4)	.2E-3* (.9E-4)	.000 (.000)
Post PL 95-19	-.012* (.002)	-.012* (.002)	-.151 (.091)	.026 (.038)	.019 (.028)	-.107 (.099)	.059 (.055)	.675* (.291)
Twilight Group	-.003* (.001)	-.001 (.000)	-.166 (.091)	.015 (.038)	.022 (.028)	-.130 (.099)	.042 (.055)	.602* (.289)
ES Referral	-- --	-- --	-- --	-- --	-- --	-- --	.240* (.016)	-- --
WBA Between $50 and $75	-- --	-- --	-.096 (.028)	-.020 (.012)	-.014 (.009)	-.044 (.030)	-.002 (.016)	-.019 (.075)
WBA Between $76 and (Max-$1)	-- --	-- --	-.019 (.035)	-.023 (.015)	-.020 (.011)	-.064 (.039)	-.037 (.019)	.035 (.108)
WBA at Maximum	-- --	-- --	-.084 (.046)	-.020 (.019)	-.019 (.014)	-.124* (.050)	-.086* (.023)	-.069 (.133)
States								
California	-- --	-- --	.041 (.028)	.029* (.012)	.012 (.009)	.082* (.030)	-- --	-- --
New York	.007* (.001)	.002 (.002)	-- --	-- --	-- --	-- --	-.073* (.014)	.156* (.072)
Pennsylvania	.005* (.001)	.005* (.002)	-.045 (.031)	.015 (.013)	.003 (.009)	-.027 (.034)	-.042* (.017)	-- --
Washington	-.012* (.002)	-.014* (.003)	.047 (.039)	.045* (.016)	.012 (.012)	.105* (.042)	.057* (.020)	-- --
R^2	.171	.298	.222	.067	.033	.248	.086	.179

*Statistically significant at .05 level

†Local unemployment rate on date of first FSB payment.

BIBLIOGRAPHY

Berkson, J. and R. Gage, "Calculation of Survival Rates for Cancer," Proceedings of the Mayo Clinic, 25:270 (1950).

Corson, W. et al., "A Study of Recipients of Federal Supplemental Benefits and Special Unemployment Assistance," Mathematica Policy Research, Inc. (January 1, 1977).

Davis, C. H. and D. H. Finifter, "An Analysis of the Federal Supplement Benefits Program," unpublished monogram (September 16, 1977).

Devins, W., Exhaustion of Unemployment Benefits During a Recession, (East Lansing, Michigan: Michigan State University, 1970).

Ehrenberg, R. and R. Oaxaca, "Unemployment Insurance, Duration of Unemployment, and Subsequent Wage Gain," The American Economic Review (December 1976).

ETA Handbook NO. 309 (ESARS), U.S. Department of Labor, Washington, D.C. (September 1977).

"Federal Supplemental Benefits Post-Exhaustion Study," U.S. Department of Labor, ETA, Unemployment Insurance Service, unpublished monogram (November 1976).

Felder, H., "Characteristics of the Unemployment Insurance Benefits Exhaustees: An Agenda for Research," a report to the National Commission on Unemployment Insurance, SRI International, Menlo Park, CA (April 1978).

Felder, H., "Job Search: An Empirical Analysis of the Search Behavior of Low Income Workers," Research Memorandum 25, SRI International, Menlo Park, CA (May 1975).

Felder, H., "Unemployment Insurance, Wage Change and Search Behavior: An Analysis," Research Memorandum 46, SRI International, Menlo Park, CA (October 1977).

Felder, H. and R. West, "The Federal Supplemental Benefits Program: National Experience and the Impact of PL 95-19," SRI International, Menlo Park, CA (January 1978).

Feldstein, M., "Unemployment Compensation: Adverse Incentives and Distributional Anomalies," National Tax Journal (June 1974).

"FSB Exhaustees," Research and Statistics Office, Department of Labor and Industrial Relations, Hawaii (March 25, 1976).

Goldberger, A. S., Econometric Theory, (New York, NY: Wiley and Sons, 1964).

Gehan, E., "Statistical Methods for Survival Time Studies," Cancer Theraphy: Prognostic Factors and Criteria of Response (Raven Press, New York, 1975).

Holen, A. and S. Horowitz, "The Effect of Unemployment Insurance and Eligibility Enforcement on Unemployment," Public Research Institute, Washington, D.C. (April 1974).

Holt, C. (1970a), "Job Search, Phillips Wage Relation, and Union Influence: Theory and Evidence," Microeconomic Foundations of Employment and Inflation Theory, Edmund Phelps, editor, pp. 53-123 (New York: Norton and Company, 1970).

Holt, C. (1970b), "How Can the Phillips Curve Be Moved to Reduce Both Inflation and Unemployment?," Microeconomic Foundation of Employment and Inflation Theory, Edmund Phelps, editor, pp. 224-256 (New York: Norton and Company, 1970).

"Labor Force Experience of Unemployment Insurance Claimants in the Six Months After Exhaustion of Benefit Rights, New York State: March 1973 - February 1974," New York Department of Labor (September 1975).

McCall, J. J., "Economics of Information and Job Search," Quarterly Journal of Economics, 84, pp. 113-126 (February 1970).

Marston, S., "The Impact of Unemployment Insurance on Job Search," Brookings Papers on Economic Activity (1975).

Rosenfeld, C., M. Kopp, and W. Deutermann, Jobseeking Methods Used by American Workers, U.S. Department of Labor, Washington, D.C. (1975).

Stigler, G., "The Economics of Information," Journal of Political Economy, 69, pp. 213-225 (June 1961).

Stigler, G., "Information in the Labor Market," Journal of Political Economy, Supplement, 70, pp. 94-105 (October 1962).

"A Study of Unemployment Insurance Exhaustees in Connecticut," Labor Department, State of Connecticut (July 1976).